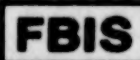


JPRS 75022

29 January 1980

# Near East/North Africa Report

No. 2073



FOREIGN BROADCAST INFORMATION SERVICE

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REASONS GIVEN FOR ARAB GULF-STATES' SILENCE ON U.S.-IRANIAN CRISIS

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 26 Nov 79 pp 48, 51

[Editorial by Antoine Matta: "Neither Anger of Neighbor nor Vengeance of Friend"]

[Text] The Gulf silence vis-a-vis the tense Iranian-U.S. relations has aroused more than one question and one exclamation mark.

The Gulf countries are not concerned with the U.S.-Iranian relations or with their deterioration solely. The ramifications of the present Iranian situation, with its international, oil, economic and political aspects, affect directly the internal conditions of these countries and the general security situation in the Arab Gulf area.

The occupation of the U.S. embassy in Tehran has brought into the picture political and military possibilities and financial and oil measures and has created new facts and conditions capable of upturning the balance of powers in the area and of encouraging more than one country in this area to reassess its foreign policies, calculations and relations.

What has most strongly drawn the attention of the Gulf officials and has increased their anxieties and concerns is, on the one hand, the appeal by Abol Hasan Bani-Sadr, the official in charge of the foreign affairs of Iran, to the Islamic and Arab oil producing countries to embargo their oil supplies to the consuming countries, led by the United States. Bani-Sadr has even gone as far as asking the Gulf countries to demonstrate their solidarity with the Iranian position.

On the other hand, the U.S. position, particularly the manner in which Washington has approached the crisis of its embassy and the pressuring measures coupled with this approach to end the detention of the U.S. diplomats, has caused further confusion among the Gulf officials, in the sense that the U.S. measures against Iran and the Iranian position toward these measures have caused the Gulf governments to be unable to take any initiative or to embark on any movement. The U.S. measures and the Iranian position have also compelled these governments to proceed deliberately in declaring their public positions and in drawing new oil and economic policies before the crisis of the U.S. embassy is cleared and before its short and long-term consequences crystallize.

When (Eric Rollo), the Tehran correspondent of the French paper LE MONDE, told Bani-Sadr that Iran has lost many of its friends in the Arab and Islamic world, the latter answered: "The governments are not the decision makers. The decision makers are the peoples and the oil workers who will support us with all the means. We will then reach a comprehensive coup in the Middle East." This statement came to pour oil on the fire in the Iranian-Gulf relations which deteriorated to their lowest point in the wake of the statements made by some Iranian clergymen, such as Mohammad Sadeq Rohani who calls for "exporting the revolution" to the area, and in the wake of the sectarian incidents in Bahrain and Kuwait.

This is why another Gulf silence has faced the appeal made by the Iranian National Petroleum Company to the OPEC members to support the Iranian reply to the U.S. decision stopping the purchase of Iranian oil.

It is evident that what the Iranian officials fear is to fall into an oil "isolation" that leads to the collapse of the economic, and subsequently the political, situation in Iran, as happened in May 1951 after Dr Mohammad Mosaddaq's decision to nationalize the Anglo-Iranian Petroleum Company and the decision of the western countries to ban the purchase of Iranian oil. The Gulf outlet which Bani-Sadr tried to create has actually reflected an attempt to contain the U.S. appeal to the west European countries to follow U.S. example at the oil level by refraining from the purchase of Iranian oil. The Arab Gulf countries are the only source capable, in terms of both production and volume, to make up the deficit resulting from the absence of the Iranian seller.

This is why the Gulf officials seem eager to follow the wait-and-see policy for fear of falling into the snares of embarrassing positions that may create new troubles for them. Therefore, this question, with both its parts, "will the Gulf states respond to the Iranian appeals or will they go along with the U.S. positions" is a question that will not receive a public official answer. Rather, the answer will remain a confidential provision in the talks being held by the Gulf leaders. However, it can be said that the Gulf countries favor a stable situation in Iran after having been hit with the "shock" of Khomeyni's regime at the internal and Gulf levels since the triumph of the Iranian revolution.

At another level, President Jimmy Carter's decision to freeze the Iranian state assets in the U.S. banks and in their branches abroad has opened the eyes of the Gulf officials to this precedent, especially since the value of the assets of the OPEC countries--particularly the Gulf countries--deposited in U.S. banks amounts to 42 billion dollars out of a total of 150 billion dollars comprising the foreign assets deposited in U.S. banks. Even though Washington had informed Saudi Arabia of its intention to make this decision, the Gulf people have considered this decision to be directed against every one of their countries in case the relations of any of these countries with Washington deteriorate as a result of certain political or economic factors.



Such a decision will undoubtedly motivate the Gulf governments to reassess their financial policies toward the United States or to take steps to prevent in the future the consequences that may emanate from U.S. use of the "financial weapon" to counter any "oil weapon" that the Gulf people may resort to. Therefore, it is not unlikely that the U.S. officials will concentrate in their followup of the developments of the current Iranian crisis on studying all the likely possibilities and measures to keep their heads far from the Iranian storms, the American storms or the U.S.-Iranian storms. If they have preferred to follow the ostrich's policy of hiding its head, then it is because the adoption of positions about which the least that can be said is that they will be positions that will satisfy neither the Iranian "neighbor" nor the American "friend"--it is because the adoption of such positions will expose the Gulf countries to the danger of falling into the international and regional "quicksands" that are found in more than one spot in the area.

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INTER-ARAB AFFAIRS

DFLP SECRETARY GENERAL EXPRESSES MISTRUST OF U.S. INITIATIVES IN LEBANON

Doha AL-'ARAB in Arabic 22 Nov 79 p 10

[Interview With Nayif Hawatimah, DFLP [Democratic Front for Liberation of Palestine] Secretary General; "Continued Struggle Against U.S. Policy and Plans Will Force United States to Recognize Our People's Rights"]

[Text] Beirut--The U.S.-Palestinian dialogue is a new tactic for containing the PLO.

The U.S. initiative in Lebanon is working to impose the Camp David accords on the Lebanese-Palestinian front.

Nayif Hawatimah, the DFLP secretary general, has stated that the United States is persisting in its various political, diplomatic and military tactics to contain the PLO and to force it to recognize Israel's right to existence.

Hawatimah has urged all the Palestinian factions and the Lebanese people not to fall into this U.S. trap because it is intended for passing the Camp David treaty through the Lebanese gate. He has also stressed the need to continue the struggle against the U.S. policy and plans in order to force the United States to acknowledge the Palestinian people's rights.

These statements have been made in a lengthy interview conducted by AL-'ARAB with Hawatimah on the DFLP's positions toward the dialogue with the United States and with the European countries. In the interview, Hawatimah has also dealt with the Lebanese crisis, the means to solve it and the Palestinian presence in Lebanon.

[Question] What is the DFLP's position toward the dialogue with the United States and with the west European countries?

[Answer] Regarding the United States, after the failure of all of its attempts to destroy the Palestinian revolution and to annihilate all its forces on the Lebanese state and after the failure of the attempts to drag a certain Palestinian faction behind the PLO's back, the U.S. administration has resorted to a new tactic based on efforts to contain the PLO

Instead of overlooking it and to make the PLO succumb diplomatically instead of making it kneel by force. This is why successive U.S. announcements are made about dealing with the PLO, but within preconditions, the first of which is that the PLO convert from armed resistance to political diplomacy under the pretext that the organization has gained popular Palestinian support and Arab and international legitimacy and that it must, therefore, reap the fruits of this broad legitimacy with diplomatic political action and steer away from the armed resistance. The other conditions are embodied in liquidating the revolution's armed presence in Lebanon, breaking the isolation of al-Sadat's regime, hinting at inclusion of the PLO in the U.S. settlement negotiations, ending the armed Palestinian presence south of al-Litani and ending Palestinian military action against Israel. This deal has already been presented through Jessie Jackson, the black U.S. visitor and mediator and through a number of U.S. and western officials. The position of the United States as the biggest power in the imperialist camp is based on continued support for the Zionist entity and on supplying this entity with all the requirements of occupation and expansion at the expense of our people and of the Arab peoples. The other side of this policy consists of denying the national rights of the Palestinian and Arab peoples and of the efforts to impose complete U.S. control on the area on the basis of the local balances of power and the basis of the capitulationist Camp David accords.

The new thing that has emerged is a U.S. trap that begins with the precondition that the PLO recognize resolution 242--i.e. Israel's right to existence--in return for an indeterminate promise of the possibility of U.S. negotiation with the PLO. The revolution and the PLO must not fall into this trap and we are struggling to see that no faction of the Palestinian revolution falls into this trap. Despite the relative difference between the United States and West Europe, the European position is still developing very slowly on the basis of the well-known Carterist homeland [for Palestinians] stipulated in the Aswan formula. West Europe cannot stand neutral toward the conflict in the area. Any delusion in this regard turns the cries concerning the European solution into a new and futile illusion, especially if the maestro playing the major role in this regard--namely the United States--is ignored.

In the recent talks in Austria and Spain, the PLO scored a tangible political victory. But the other invisible side of the Vienna talks consists of the PLO's return to the chain of grave concessions in southern Lebanon and at home under the slogan of moderation. This is in addition to recognizing the elements of resolution 242 and to stopping the armed struggle under the slogan of putting an end to violence and terror. Generally, the dialogue with West Europe on the basis of demanding its recognition of the PLO and of the legitimacy of its political goals is one of the diplomatic tasks enjoying the revolution's attention. However, the list of priorities calls upon us to pay utmost attention to continuing, expanding and developing the armed and popular struggle, to entrenching and developing the Palestinian national unity on the basis of the unified political program

of the revolution and of the PLO and to bolstering the rights of our people in freedom from the ambiguity of futile dialogues and on the basis of acceptance of an independent national state and rejection of self-rule and resettlement.

Yes, we must take advantage of the conflicts between the interests of the imperialist countries, conflicts that are evident in the Middle East (oil, assets, markets and so forth).

But we must also understand well that the path lies in continued and firm adherence to the phased program of the revolution and of the organization, in developing our national unity and our armed and popular struggle and in bolstering the alliance with the world's liberation and progress forces that have supported us firmly throughout long years. This alone is the path to forcing the imperialist countries to back down and to recognize our people's and our nation's rights. It is the path to make the western countries aware that their real interests in the Middle East are with the Arabs and not with Israel and its expansionist ambitions.

[Question] What, in the DFLP's opinion, prevents realization of the Palestinian national unity? What are the conditions for achieving this unity?

[Answer] We in the DFLP have exerted ceaseless efforts to achieve tangible progress at the level of national unity. Proceeding on the basis of our policy regarding the need for participation by all the revolution factions in the various PLO agencies and establishments according to the rule of proportionate representation and the need for solving the problems that arise between one faction and another on the basis of democratic dialogue and for the sake of this unity, we have presented to the National Council session and to the resistance leaderships four detailed plans for national unity. The latest of these plans was presented in January 1979. But the problem lies in the insistence of the unlimited [al-lamahdudah] forces to continue their exclusive domination of all the organization's legislative and executive agencies and institutions and in the attempts of these forces to dictate their political line and to confiscate the right of the others to participation and action at all the levels. The regrettable clashes that occur every now and then between one faction and another are the result of the faulty organizational and political mobilization embarked upon by certain forces and the result of the continued implanting of the spirit of exclusive domination among the members and ranks of these forces.

Containing these serious inclinations requires persistent and united struggle by all the revolution forces eager to protect the national unity and the unity of the PLO forces and to protect the national line that secures our people's rights--a line defined precisely in the political and organizational program of the Palestinian National Council which has become the program of the PLO in its entirety. In this struggle, we rely on the political and organizational legitimacy approved by our council unanimously.



The true strengthening of national unity and the tangible foiling of the U.S. attempts to shatter the unity of the Palestinian revolution and to divide it into a moderate wing and a radical wing lies in responding to the National Council's resolution and in putting an end to the continued flouting and disregarding of this resolution.

[Question] What is the DFLP's evaluation of Reverend Jessie Jackson's recent visit and this visit's relationship with the U.S. administration's policy?

[Answer] At the outset, Jessie Jackson presented himself as a mere fact-finding visitor who, motivated by a growing current sympathetic to the just cause of the Palestinian people among the ranks of the American people, especially among the blacks and the other ethnic minorities, came to find the facts so as to strengthen and develop this position among the blacks. But it later became evident that Jackson came to carry a message from Carter asking that the PLO stop its armed struggle, recognize Israel's right to existence and recognize the elements of resolution 242, define its concept of self-determination and on what territories it is to take place, reconcile itself with al-Sadat regime and exert active efforts for an Egyptian-Arab reconciliation. Jackson presented these demands clearly to the chairman and to some members of the PLO Executive Committee. As soon as Jackson met with al-Sadat, he pronounced the conditions that he had carried with him publicly and said that he was carrying a message from Carter and that the PLO has to make these concessions now and not tomorrow so that Carter may hold a card which he can use to open the door of relations with the PLO before the start of the coming election campaign.

There, Reverend Jackson wants to disarm the resistance, contain the organization, bring about reconciliation with al-Sadat regime and break the Arab blockade surrounding this regime, thus driving the organization [PLO] or any other Palestinian side, in the name of the PLO, to the Camp David table after depriving the PLO of all its factors and elements of strength.

We, therefore, say that we reject all of Reverend Jackson's proposals in part and parcel and we call for continuing the struggle against the U.S. policy and plans until the United States is forced to recognize our people's rights in compliance with the broad international will that has already recognized our people's right to struggle for repatriation and national independence. Without such firmness, these maneuvers will get encouraged and will come to use again under new names and new slogans but with the same constant concept of erasing the rights of our people, ending our revolution and passing the Camp David accords and the bilateral Israeli-Egyptian treaty.

Our slogan is one of approval of efforts exerted among the U.S. people and the U.S. political institutions and a slogan of rejection of the Camp David logic carried by Reverend Jackson.

[Question] How does the DFLP view the current U.S. initiative to solve the Lebanese crisis?

[Answer] Let us say that the plan, and not the initiative, may contain some good intentions, and this is something that is totally remote from the U.S. policy in the Middle East. The elements of this plan expose its direct connection with the attempts to bring the Camp David accords out of their present dilemma and to put them on the course of imposing the U.S.-Zionist capitulation conditions on the National Palestinian-Lebanese Front in southern Lebanon as an important way for radically upsetting the balance of the internal forces and for rearranging the conditions within the framework of an isolationist Lebanon in which Israel will have the upper hand in running the internal affairs.

The elements of the plan as divulged by U.S. and Israeli circles consist of:

1. Withdrawal of the Palestinian resistance forces and the Lebanese National Movement forces from southern Lebanon under the canopy of an apparently innocent slogan, namely the army's entry into this area.
2. Increasing the strength of the U.N. emergency forces to 10,000 troops prior to turning them to deterrence forces, numbering 20,000 troops, to replace the Arab Deterrence Forces.
3. Drawing up a timetable for the departure of the Arab forces, particularly the Syrian forces, from Lebanon.
4. Israel will restrain the forces of Sa'd Haddad's mini-state and a symbolic unit of the Lebanese army will enter the area to throw dust in the eyes of the Palestinian resistance and of the Lebanese National Movement under the slogan of deployment of the Lebanese army in the entire southern area and in the border strip which has been under the control of Israel since March 1978.

These elements show clearly that the U.S. plan is working to impose the Camp David accords on the Lebanese-Palestinian Front in southern Lebanon by ousting the resistance and removing its material forces under the slogan of "converting the truce into a permanent truce" in accordance with the Israeli capitulationist conditions. This will open wide the door of bringing up in the following phase the issue of the entire armed Palestinian presence in Lebanon. All this will be done in contradiction with and over the dead corpse of the agreements concluded with the Lebanese government because there will no longer be any justification for the armed Palestinian presence to exist far from the fighting frontline. Moreover, Israel, imperialism and the isolationist front are ready to bring up the issue of liquidating this armed presence after completing the plot of ousting the resistance and the Lebanese national forces from the south and after radically turning the internal balance of powers in favor of this trio which is working to impose the Camp David accords on the Lebanese stage.

This is why we have to tear apart the demagogic veils and slogans behind which this plan is hiding so that it may become truly visible and tangible

to the broadest masses as a plan for liquidating the resistance and the national forces in southern Lebanon and for imposing capitulation on the Lebanese-Palestinian front facing the enemy on the frontline and not a plan for turning the temporary cease-fire into a permanent one.

The new U.S. onslaught comes within the context of the preparations for the Arab summit and for the purpose of drowning this summit in deception and in internal inter-Arab affairs, for steering the summit away from the central link embodied in the Camp David accords, al-Sadat-Begin treaty and the self-rule plan and also for preventing this summit from discussing the means to confront these accords until they are foiled and defeated--considering that a year has passed on the struggle against these accords.

This plan also comes within the framework of the concerted U.S. campaign aimed at forcing the PLO to make big concessions in advance as the price for the promises to later open the door of dialogue with the U.S. administration. It is evident in this campaign that one of the preconditions is that the Palestinian resistance get out of southern Lebanon on the grounds that this constitutes the basis for presenting the entire armed Palestinian presence for discussion under the slogan of putting an end to the mutual violence and terror between the PLO and Israel and the slogan of turning the cease-fire in southern Lebanon into a permanent truce, on Israel's terms.

This major concession calling for clearing the south of the armed resistance against the enemy has been embodied in the secret and open demands that the PLO has received from the U.S. administration.

The U.S. onslaught is now exerting pressure on the area to pass the American plan directly and indirectly and to impose the ghost of this plan on the Arab summit.

[Question] What do you expect of the forthcoming Arab summit insofar as the Palestinian issue and the issue of southern Lebanon are concerned?

[Answer] Any expectations [depend] on the firmness and unity of the position of the PLO and the Lebanese National Movement and on the deep joint understanding between Syria on the one hand and the resistance and Lebanese national forces on the other hand.

There are attempts to keep the summit from the central issue that must be included in the summit's agenda, namely the issue of the form and conditions of the inflexible opposition to the Camp David accords, the Egyptian-Israeli treaty and one self-rule plan until al-Sadat-Begin-Carter treaty and the two Camp David accords are buried.

Our joint Palestinian-Syrian-national Lebanese insistence on rejecting the U.S. plan which represents the practical embodiment of the Camp David accords on the Lebanese arena--this insistence is the guarantee capable of putting

the forthcoming summit face to face with a definite and tangible position that refuses to bargain over the body of the revolution and of the National Front in southern Lebanon, that rejects the U.S.-Israeli plan, refuses to turn the resistance and the national Lebanese ally into a dwarf by ousting these forces from southern Lebanon in compliance with the U.S.-Israeli capitulation conditions and refuses to put up the entire armed Palestinian presence up for discussion under the slogan of turning the revolution and the PLO from the armed struggle toward diplomatic political action lacking any armed force.

The united Palestinian-Syrian-national Lebanese position must be focused on urging the Arab summit to exert joint Arab efforts to liquidate the pocket of lackey Sa'd Haddad and the isolationist ghetto so as to reach a political settlement for the Lebanese situation--a settlement that guarantees the unity and Arabism of Lebanon's territories and people.

Moreover, a firm and united position by the revolution and the PLO and joint efforts with all the steadfast Arab forces in the forthcoming Arab summit are capable of firming up opposition by the 10th Arab summit to the Camp David accords, to al-Sadat's treaty and to self-rule and capable of compelling the summit to implement the Baghdad resolutions for a decisive and comprehensive boycott of al-Sadat's regime and to fill the major gap emerging since the Baghdad summit through measures against the U.S. monopolist interests in the Arab homeland.

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PPSF LEADER OFFERS VIEWS ON LEBANON, RECOGNITION OF ISRAEL

Doha AL-'ARAB in Arabic 2 Dec 79 p 11

[Interview with Dr Sami Ghawshah, Leader of Palestinian Popular Struggle Front, by Iman Shams; "Position Toward U.S. Imperialism Comes Through Intensifying Political Confrontation and not Through Dialogue; Multiplicity of Palestinian Organizations Does not Prevent Achieving Palestinian Unity"]

[Text] Beirut--The European countries are trying to couple recognition of the PLO with pressure on the PLO to recognize the Zionist enemy.

We are committed to supporting the Lebanese masses and their national and progressive forces and our presence in Lebanon is temporary.

Within the framework of the series of interviews conducted by AL-'ARAB with the Palestinian resistance leaders, this newspaper has conducted an interview with Dr Samir Ghawshah, the secretary general of the PPSF [Palestinian Popular Struggle Front].

In the interview, Dr Ghawshah asserts that the front is committed to the political and organizational program approved by the Palestinian National Council.

Regarding national unity, Dr Ghawshah asserts that the Palestinian factions will continue their top-level meetings in the coming weeks to accomplish this task.

Dr Ghawshah also affirms that the position toward the United States should come through intensifying the political and military confrontation against it and through striking its interests.

As for Europe, he supports the meeting with it, even though it tries to exert pressure on the PLO. He says: This issue depends on the degree of the firmness of our position and of our will.

The Palestinian leader also says that the resistance supports any side that wants to free the south [southern Lebanon] from the Israeli occupation and

that the resistance is certainly against any side that wants to prevent confronting the danger threatening the Arabism, people and land of the south.

Following is the text of the interview conducted by AL-'ARAB with Dr Samir Ghawshah:

[Question] It is well-known that the latest Palestinian National Council, convened in Damascus, adopted a resolution to include the PPSF within the higher Palestinian frameworks and bodies. What is the degree of your participation in the PLO?

[Answer] The PPSF is one of the factions of the Palestinian resistance movement working within the framework of the PLO, the sole legitimate representative of the Palestinian people. The PPSF participates in the PLO's institutions at the level of the Palestinian National Council and the Central Council. But the PPSF shoulders no responsibility in the Executive Committee. However, it does take part in the meetings of the resistance leadership at the level of general secretaries, the Military Council, the Central Council and other institutions. The PPSF is committed to the political and organizational program approved by the 14th session of the Palestinian National Council.

The PPSF is struggling for the actual implementation of the organizational program that defines the unionist organizational formula among the resistance factions and that will lead, if implemented, to re-structuring the PLO institutions in a unionist form that enhances the PLO. We believe that the actual implementation of this program constitutes an advanced step on the path of the ideal unionist formula.

[Question] Regarding the resolutions on national unity, have these resolutions been implemented and what is the degree of your participation in them?

[Answer] Concerted dialogues were held recently to overcome the obstacles preventing the actual implementation of the organizational program. Concerted meetings are supposed to be held in the coming weeks to complete the national unity.

It is evident from the experiences of peoples in their national battles that numerous struggle factions emerge to serve the national cause. The PPSF which emerged in the occupied territories in the wake of the June 1967 defeat turned toward fighting the Zionist enemy. In that period, the Palestinian situation suffered from failures and shackles that led to the emergence of more than one faction reflecting national and social positions. Since its emergence, the PPSF has represented a coherent national and social position for solving the Palestinian people's national and social dilemma. With utter brevity, we can define the PPSF as a national democratic organization struggling for the Palestinian people's right to repatriation and their right to self-determination and to setting up an independent national state over the Palestinian soil.

It is our view, Dr Ghawshah adds, that the presence of several organizations does not at all prevent the realization of national unity. It is our belief, despite the political and social differences, that the differences in the political and social approaches of the various organizations do not prevent their unity in a broad front in the stage of national liberation. We can say that our organization has always been eager for national unity and has participated in most of the joint Palestinian unionist formulas, beginning with the armed struggle, the joint command and the Central Committee and ending with the PLO Executive Committee in the 1970's. Presently, the organization is participating in all the unionist formulas at all the possible levels.

[Question] There is much talk about U.S.-Palestinian contacts. What is your opinion on this issue? Do you support a dialogue with the United States and what are your conditions?

[Answer] The PPSF has defined the enemy camp as imperialism, led by the U.S. imperialism, the Zionist movement and Israel, Zionism's aggressive, racist and expansionist base, and the lackeys. Therefore, the U.S. imperialism represents the leader of the enemy camp. The U.S. positions of hostility to the Palestinian people and their firm national rights are clear and obvious. The experiences of peoples have taught us that imperialism cannot change its positions unless the struggling peoples change the balance of powers in their favor and against the interest of their imperialist enemies.

The statements of Carter, Brzezinski and other U.S. officials underline hostility toward the PLO and toward the Palestinian people's national rights. We believe that the position toward the U.S. imperialism should come through intensifying the political and military confrontation and through striking the U.S. interests until the United States recognizes the Palestinian people's right to repatriation and their right to determine their future and to set up their independent national state. Accordingly, we do not support any dialogue with the U.S. imperialism unless it acknowledges in advance the Palestinian people's right to repatriation, self-determination and the establishment of an independent national state. This is insofar as the position toward the U.S. administration is concerned. However, we support establishing a dialogue with any popular and democratic U.S. force that recognizes the PLO and acknowledges the Palestinian people's firm national rights.

As for the negro movement [al-harakah al-zinjiyah], there is no doubt that the negroes [al-zunuj] form a considerable number of the U.S. population and that their opinion and position have their impact, despite the persecution from which they suffer. The change in the position of the negroes constitutes a gain for the Palestinian people's struggle. There is also no doubt that other sectors of the U.S. people have begun to realize the extent of the faulty and aggressive policy of the U.S. administration. We believe that the escalation of our struggles and broader dialogue with

the U.S. popular and democratic forces will have a future effect on the U.S. position, keeping in mind that the positions of these forces have not yet reached the level that we aspire for. But with more struggle and with more dialogue, we will be able to win numerous forces to our side. Broad sectors of the U.S. people played an influential role during the U.S. aggression against Vietnam. The escalating Vietnamese struggle and the U.S. public opinion had their role in exposing the aggressive U.S. policy against the Vietnamese people.

Regarding the fall of Begin's government [sic], Begin's position toward the Palestinian people abounds with massacres, racism and aggression. The Begin who became famous for the Dayr Yasin massacre is still the same Begin who considers Palestine the historical land of the Jews, the same Begin who is building settlements and the same Begin who is raising the slogan of annihilating the PLO and who is waving his three no's: No to the Palestinian revolution, no to the Palestinian state and no to repatriation and self-determination. We believe that this position will continue as long as Begin heads the government. We cannot expect in any way but that this would be Begin's position, i.e. the position of continued aggression, expansion, racism and absolute hostility to the Palestinian people.

As for the possibilities of change within the Zionist entity, they continue to be expected for economic reasons primarily and then for political reasons. However, this doesn't mean in any way that the departure of Begin will bring others who are ready to withdraw from the occupied territories. All the rightist parties adopt positions similar and close to those of Begin's and agree with Begin's three no's. We must rely fundamentally on escalating our struggle inside the occupied homeland and from all the fronts adjacent to it so that we may be actually able to introduce a basic change in the balance of powers serving our interests and enabling us to realize our national aspirations.

[Question] Regarding the dialogue with Europe, there are those who support it and those who express reservation and caution toward it. What is your position?

[Answer] We must understand the dimensions of the European position with a true scientific look. On the one side, the start of the recognition of and sympathy for the PLO constitutes a gain for the Palestinian people-- a gain which they have made with their escalating struggles, led by the armed struggle. But we must also see the other side of this dialogue in which the European countries are trying to couple their recognition of the PLO with pressures on the organization to recognize the Zionist enemy. However, this issue depends on us. We must make the gains without relinquishing our national rights. We must work for further fundamental change in the positions of the European countries.

[Question] The talk about the U.S. initiative for Lebanon has begun to take a serious dimension. What is your information on this initiative and what is your opinion of it?



[Answer] We cannot separate in any way what is happening in Lebanon from the plans and plots being hatched by the U.S. imperialism and Zionism. Consequently, any U.S. plan is naturally hostile to the Palestinian people and to the Lebanese masses and their national and progressive forces. We are aware that the U.S. imperialism and its ally, Zionism, are trying with all the means and methods to deal the Palestinian resistance movement a blow that would enable them to pass the Camp David accords and to consolidate their domination and control over the entire Arab area.

The U.S. imperialism which supplies the Zionist enemy with all kinds of weapons, including the F-15 aircraft which have been confronted by the Syrian fighter planes, reflects the true U.S. position toward the Lebanese situation and the Arab situation generally. The Zionist enemy--through his constant aggressions, through his local tools, such as traitor Sa'd Haddad, and through his alliance with the fascist and isolationist rightist forces--is seeking with all the means to destroy the PLO, as the Israeli officials have said, and to strike the national and progressive forces and then to invite the government to conclude a peace treaty similar to al-Sadat's treaty.

We are fully committed to supporting the Lebanese masses and their national and progressive forces and we are completely eager to exercise our legitimate right to fight against the Zionist enemy from any Arab territory. We have repeatedly asserted that our presence in Lebanon is a temporary presence. What we are struggling for is the liberation of our homeland and repatriation in our homeland.

Therefore, our positions are clear. We are against any plan that tries to prevent us from exercising our right to fight and any plan that tries to deal blows to the Lebanese national and progressive forces. The plan of the enemies is to liquidate the popular national Palestinian and Lebanese presence in Lebanon so that these enemies may strengthen their grip on the entire Arab area and impose the self-rule plan in our occupied homeland.

[Question] And concerning the dispatch of the Lebanese army to the south?

[Answer] We support the National Movement's stance which stresses that the national position lies in confronting the Zionist occupation of southern Lebanon, both the direct occupation by the Zionist enemy's forces and the indirect occupation through the forces of traitor Sa'd Haddad. Any talk about another occupation is an abortive attempt to conceal the real occupation of the south and an endeavor to conceal the expansionist ambitions of the Zionist enemy.

To put it very briefly, we support any force that wants to liberate the Lebanese national soil in the south and we are not for any force that will stand in the way of liberating southern Lebanon and in the way of deploying the Lebanese army, if such deployment is for the purpose of liberating and preserving the soil of the homeland because this is a good thing.

We support the position of the Lebanese masses and their national and progressive forces which have many objections to the structure and positions of this army.

SAUDI ARABIA, QATAR OFFER VIEWS ON OPEC'S ROLE IN OIL PRICES, IRANIAN CRISIS

Kuwait AL-SIYASAH in Arabic 19 Nov 79 p 6

[Article: "OPEC Will not Interfere in Iranian-U.S. Crisis; Qatar: Oil Prices Will Rise at End of Year; Saudi Arabia: OPEC Has no Role in Iranian-U.S. Crisis; Washington's Decision to Freeze Assets Will not Affect International Markets; There Is no Alternative to Dollar in Pricing Oil"]

[Text] Shaykh Ahmad Zaki al-Yamani, the Saudi minister of oil, said in an interview in Amman yesterday that the OPEC has no connection whatsoever with the Iranian-U.S. crisis touched off by the occupation of the U.S. embassy in Tehran.

In an interview published by the Jordanian newspaper AL-DUSTUR, the minister said that Iran has not asked any of the OPEC member states to support it in the escalating Iranian-U.S. economic war.

Shaykh al-Yamani said that the oil organization has no connection with political issues arising between any of its member states and another country.

The Saudi minister is currently on a visit to the Jordanian capital to take part in the annual meeting of the Arab Mineral Resources Organization.

The U.S.-Iranian relations became tense when the Iranian students seized the U.S. embassy in Tehran on the fourth of this month with the support of the religious leadership, demanding that the toppled shah, who is being treated in New York for a cancerous tumor and other ailments, be handed over [to Iran].

The United States has retaliated for this step by stopping the importation of Iranian oil and freezing the Iranian assets existing in U.S. banks at home and abroad.

Shaykh al-Yamani finds it unlikely that the halted U.S. importation of Iranian oil and the freezing of the Iranian assets in U.S. banks will have any economic impact on the international oil situation.

Answering a question on whether the OPEC intends to use a currency basket instead of the dollar in pricing its oil in the wake of the U.S. decision to freeze the Iranian assets, Shaykh al-Yamani said that there is no relationship between the U.S. measure and conversion by the oil organization from the dollar to a currency basket.

Shaykh al-Yamani pointed out that the aim of a conversion to a currency basket, should it take place, would be to protect the revenues of the oil countries from the fluctuations of the international financial market.

However, the Saudi minister had told the Jordanian television on the preceding night that there is no alternative to the dollar in pricing oil.

He said that the U.S. currency will continue to be the currency most capable of facing the fluctuations of the international economic market.

In the interview, the minister expressed the hope that the U.S. decision to freeze the Iranian assets will not be considered a precedent at the level of international relations. He also expressed the hope that an end will be put to the current crisis between Tehran and Washington.

Shaykh 'Abd-al-'Aziz ibn Khalifah Al Thani, the Qatari minister of finance and oil, said in Doha yesterday that the OPEC will raise its oil prices at a ministerial conference the organization is scheduled to hold in Caracas, the capital of Venezuela, in a month.

In an interview published by the English-language GULF TIMES, issued in Doha, the minister did not specify the percentage of the expected increase.

Shaykh 'Abd-al-'Aziz finds it unlikely that the OPEC will interfere in the problem of the seizure of the U.S. hostages at the U.S. embassy in Tehran, even though Iran is one of the founders of the OPEC and the United States is a major oil consumer.

He said that the OPEC is ready to exert its good offices, provided that neither of the two sides is harmed and keeping in mind that the OPEC is an economic, and not a political, organization fundamentally and that it will not get embroiled in political problems.

The minister also pointed out that he considers the issue of the Iranian students' occupation of the U.S. embassy and the seizure of its personnel as hostages an internal issue that concerns Iran.

The minister has held the western oil companies, with the enormous profits that they have reaped, responsible for any raise introduced by the OPEC to its price ceiling, namely 23.5 dollars per barrel, when it meets in Caracas on 17 December 1979.

The minister also said that there is another issue preoccupying the OPEC, namely the fluctuation of the U.S. dollar and inflation. He excluded the possibility, at least for the present, that the dollar will be abandoned

as the currency for pricing oil and that a shift will be made toward a currency basket. But the minister did leave this possibility open if what he has described as a fundamental change in the dollar position occurs.

Shaykh 'Abd-al-'Aziz urged the oil consuming industrial countries to streamline their energy consumption, warning that failure to draw up a serious plan for energy conservation will lead to a catastrophe.

The minister also urged the oil exporting countries to take part in conserving energy by reducing their production.

He said that Qatar does not at all intend to raise its production. On the contrary, Qatar's production in the past 10 months has been lower than last year's production rate.

He added that the scheduled rate is 500,000 barrels daily whereas production this year amounted to 492,000 barrels daily.

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VIENNA OIL COLLOQUIUM HEARS ARAB VIEWS ON OIL CONSERVATION, DEVELOPMENT

Kuwait AL-SIYASAH in Arabic 21 Nov 79 p 6

[Article: "Future of Energy Markets; Dr 'Ali 'Atiqah: Biggest Danger of International Economy Is Inclination of Governments and Individuals to Avoid or Delay Essential Adjustments; Dr Fadil al-Jalabi: Need to Link Rate of Depletion of OPEC Oil With Development Rate of Organization's Countries"]

[Text] In the OPEC colloquium on the future of energy markets, held recently in Vienna, several papers were presented and speeches delivered, covering the various issues concerning the colloquium. Following is a summary of some of the papers presented:

Dr 'Ali 'Atiqah: Crossing Energy Bridge

Dr 'Ali 'Atiqah, the secretary general of OAPEC [Organization of Arab Petroleum Exporting Countries], focused at the beginning of his address on the colloquium as an important platform for putting an end to the state of chaos and uncertainty engulfing the actions and reactions of the energy producers and consumers.

He added that the biggest danger facing the future of the international economy in the medium and long range is the inclination of governments and individuals generally to avoid or delay making the necessary adjustments required by the current situation and by the future expectations concerning the energy situation. The most evident example of this [inclination] is the excessive energy consumption and the wasting of important energy resources before the adjustment of prices at the end of 1973--an adjustment which put into motion fundamental changes in the energy markets, such as giving a strong push for developing various alternatives.

It seems that the world is more certain today than ever before that the known oil resources are, under the best of conditions, nothing but a temporary source of energy and that oil prices must be high to encourage the efficient use and the conservation of the hydrocarbonic resources, both in the OPEC and outside it. Oil represents at present the only energy bridge that the world can cross to reach new sources of energy.



But the use of oil as a crossing bridge is a matter of life for the oil exporters because they must also cross to the point where they will have prepared their countries' economies to yield an ever-renewed income in the post-oil phase. As for the consumers, it means the need to cross the bridge at a time when other alternatives will have been actually prepared, else serious problems will emerge.

The fact is that both the oil producers and consumers will suffer if they permit themselves to produce and exhaust their commodity before they are able to find the alternatives. Nobody can predict precisely the time needed to develop alternative sources of energy nor the time needed to realize local development in the producing countries. This means that there is a need for all to cooperate in order to prolong the life of oil and a need for the consumers to understand the concept calling for streamlining the OPEC production so as to conserve energy for all for the longest time possible. Perhaps the most important means of prolonging the life of oil lie in discovering new reserves and increasing the production possibilities in the currently existing fields. This calls for firm international cooperation to draw up programs and to aid the various countries, especially third world countries, to acquire sources of energy which they need badly at present and which they will need more strongly in the development process. The [financial] resources needed for this goal are not large when compared with what the world spends on the means of war and destruction.

There is another important issue connected with the constant warnings made by the circles of the oil consumers that the control of oil by the OPEC and by other developing countries is not conducive to a secure supply of oil. The fact is that the world is fortunate that most of the oil is controlled by the developing countries and not the advanced industrial countries where the citizens would not allow their politicians to produce oil in exhaustive quantities, if most of the oil were under the control of these countries. It is evident from the recycling of the OPEC monies in the international market that the industrial countries get the oil and get, at the same time, a large part of the cost they pay for the oil as a price for the oil-by-products they export to the oil producing countries or in the form of the investments that the oil producing countries make in the financial establishments of the industrial countries.

If all realize the dangers emanating from lack of cooperation, then the concept of interdependence must prevail. Meanwhile, the concept of the dependence of the developing countries on the industrial countries is the concept that has prevailed so far. To strengthen and entrench the concept of interdependence, big sacrifices must be made. Perhaps the most important of these sacrifices fall on the side of the industrial countries that must take into consideration the development requirements and priorities of the less developed countries so that some sort of a balance may emerge after the protracted period of imbalance during which top priority has been given to the energy needs of the advanced countries while the development needs of the developing countries have been disregarded or allowed to lag far behind.

## Dr Fadil al-Jalabi: Concept of Conserving Oil in OPEC Countries

Dr Fadil al-Jalabi, the OPEC deputy secretary general, presented at the outset of his paper an explanation for the incorrect understanding by the major industrial countries of the meaning of the oil conservation policies of the OPEC countries, considering that the industrial countries view these policies as steps meant to influence the oil market and to encourage price increases even though the concept of the conservation of resources is a relatively old concept in the industrial countries themselves, especially in the United States.

The oil producers view oil from the angle of its relationship with the development process as a whole and on the basis that it is a depletable national capital. Because development of the economies of the producers cannot proceed as mechanically as the development of the economies of the industrial countries, it cannot be assumed that a maximum exploitation of the resources at present will guarantee that the development process will proceed automatically in the future, especially if the resources are tantamount to a depletable national capital. Oil occupies and will continue to occupy for a long time an extremely important place as a source of the income necessary for the development process in the OPEC countries.

Consequently, the concept of the conservation of oil is different in the developing producing countries from what it is in the industrial countries, considering that oil constitutes a base for development in the first group whereas it is a mere energy base that serves the dynamic growth process [in the second group]. The significance and urgency of conserving oil in the OPEC countries emanates from the fact that they are the side whose resources are being depleted at the fastest rate internationally, considering that these countries have experienced in the 1970's an actual deficit resulting from the addition of 28 billion barrels to their reserves compared to the consumption of nearly 60 billion barrels of their resources. This is the opposite of the situation in the 1950's, and even in the 1960's, when oil discoveries in the Middle East reached a peak. With this accelerating depletion rate, of which the highest levels occur in the Middle East, the future of development and the fundamental structural changes in the oil producing Middle East countries may face a real catastrophe because the period in which the oil lasts will not be enough to realize the needed development. Therefore, the concept of oil conservation does not emanate from needed development. Therefore, the concept of oil conservation does not emanate from an endeavor to exert pressure on the market in order to raise prices or to cause instability in oil supplies. Rather, the aim of this concept is to guarantee the continuation of development and its enhancement in the future so that oil may be sufficient for the crossing toward other sources of income. The concept of oil conservation in the oil producing countries needs further explanation. There are some thinkers who adopt a radical position based on the anxiety emanating from the fast depletion rate and who call for starting the conservation of oil by curtailing expenditures so that there may be

no cause pressuring for increased production. These thinkers view oil as a gold mine which must be treasured for the unknown future and they believe that the linking of oil with development should be achieved by spending on projects that develop permanent and ever-renewed sources of income for the future generations. They demand high productivity in the implementation and operation of such projects for whose financing oil resources are depleted. These thinkers warn that excessive spending will produce higher inflation and is liable to cause social unrest as a result of the sudden changes it creates in society's structure.

The pressure for higher production do not emanate from the development requirements solely. There are other factors connected with meeting the needs of the international economy, with the commitments to advance aid to other developing countries and with spending in the non-developmental spheres. Some OPEC countries find themselves forced to invest abroad because of local obstacles that hamper absorption of the entire oil revenues.

In view of the fact that economic development is the axis of any oil conservation policy, the politically possible and truly dynamic course lies in linking the rate of the OPEC oil depletion rate with the development rate of the organization's countries. Escalated development, can be guaranteed by increasing the OPEC oil reserves. Application of the system of making up for the depleted reserves can be financed from the increased income resulting from progress in the development process by allocating a part of this income for intensifying the oil exploration operations. Increased investment in the oil sector is considered an effective contribution toward the increased use of technology and its applications and toward the accumulation of capital, in addition to being a contribution toward increased work opportunities and a broader base of income. Moreover, increased investment in the oil sector is liable to prolong the period in which the OPEC can influence the international oil market through constantly adding to its reserves and through knowing the quantities that it possesses so that it may draw up balanced production policies that make it possible to price oil on a (managed?) basis instead of allowing the market factors to control the pricing.

Therefore, the current OPEC oil prices are not enough to solve the financial problems resulting from (the need to increase the oil reserves by adding to them). Consequently, raising the real price of oil means necessary.

Dr al-Jalabi concluded his address by pointing out the importance of acquiring the technology to develop the oil sector and to make the required additions to the reserves. This is the thing that the industrial countries must offer the OPEC countries and which can find a broad sphere under the canopy of cooperation in the fields of energy development.

REPORT ON POLITICAL ASPECTS OF SOCCER MATCH

Paris LE MONDE in French 23-24 Dec 79 p 4

[Article by Daniel Junqua: "When Algeria Crushed Morocco--in the Stadium"]

[Text] Algiers. Chance is sometimes facetious. The drawing of lots to organize the elimination soccer games for the Olympics in Moscow gave Algeria its first opponent: Morocco. In ordinary times, that would already have been enough to get everybody all heated up in a Maghreb devoted to the cult of the round ball. But for the past 4 years, the traditional Algerian-Moroccan rivalry has been exacerbated by the conflict in the western Sahara. Would passions not be unleashed on the occasion of a sports confrontation whose political character does not escape anyone?

It fell to the Algerians to make the first move on 9 December. It was really rough for them to find themselves in the big stadium at Casablanca, before the watchful eyes of 70,000 spectators, in white heat, playing against the Moroccan team in its striped jerseys; the Moroccans had not looked too bad during the world championships. The encounter took place on Sunday, a working day in Algiers, where the weekly day of rest is Friday. Hardly anybody worked that afternoon in the offices and workshops; everybody listened to the transistor radio. The most optimistic predicted a draw. But there was a divine surprise: the Sherifian Eleven literally flattened, had to bow with a score of 5:1.

The Moroccan press, both government and opposition, was unanimous in strongly denouncing the "lamentable performance of the National Eleven" on the next day. Everybody demanded that heads be made to roll. AL-MUHARRIR, the organ of the Socialist Union of Popular Forces, and AL-BAYANE, the Communist Party daily, demanded the resignation of members of the government.

The ministers remained and it was the players who were changed. For the return match, the officials in charge took some young players, called upon for the first time to perform in an international competition. Nobody believed in a miracle any longer. They were only asked "to keep the loss down as much as possible." They then did their best on Friday, 21 December, in the huge 5-July stadium in Algiers. That game certainly was among the worst memories of their lives. Before an audience reduced because of bad weather and more inclined to jeer rather than toward being hostile, they had to give their utmost, under a pelting rain, with the field turned into a swamp, and they had to take three goals without ever scoring once.

The bad weather kept the Algerians from celebrating this double victory in a dignified manner and only a few hardy souls, muddled to the knees, paraded around the stadium, carrying flags. The officials in charge were happy over the sporting spirit expressed by the spectators both in Casablanca and in Algiers.

To qualify for the Olympic Games, Algeria must now defeat another "brother country," Libya. President Qadhafi recently decided to drop "elite sports" in order to eliminate the distinction between players and spectators; nobody knew as yet under what conditions the scheduled matches would take place, nor whether they would take place at all.

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CHARACTERISTICS OF ISLAMIC STATE, REQUIRED ISLAMIC REFORM DISCUSSED

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 26 Nov-2 Dec 79 pp 38-44

[Interview With A Number of Islamic Scholars, Sociologists by 'Abd-al-Wahhab Badrakhan, Hasan Munayminah, 'Abd-al-Hadi Mahfuz and 'Isa Makhluf; "Islam in 15th Century of the Hegira; What Islam, What State, What Reform and What Challenge; al-Salih, Farhat, Carrier, Arkoun and Ben Shaykh Discuss Islam's Relationship With West, With Backwardness and With Present Islamic Systems; Iran, Oil and Resistance Surprised West and Stirred Its Fear"]

[Text] Islam concludes the 14th century of its life with a year abounding with developments and begins the 15th century while facing perhaps the most important turning point in its life and while trying to prove itself as a religion, an ideology and a political, economic and social system. There is no doubt that the disappearing year of 1979 A.D. is the year in which Islam has jumped to the forefront of the interests of the modern world, both inside the Islamic world itself and in the east and the west, forcing everybody to rediscover this Islam and to familiarize himself with it.

The political Islam, Islam plus oil, Islam plus the Palestinian resistance plus the Iranian revolution--the world believes and cannot believe all this. The west, in particular, is not experiencing these concepts as an observer but is rather pondering, watching, anticipating in fear and even suffering. The west has not yet prepared the attack to counter this jump. However, the western thinkers are voicing successive cries in the information media.

Multifaceted

The Iranian revolution has de-fused [ignited the fuse of] the Islamic explosion, thus causing numerous shocks among the Muslims and among the others.

This is true. But the west is also now playing the card of the many-faced Islam. The west has always believed Islam to be the state and that Islam is different in Saudi Arabia from what it is in the Libyan Jamahiriya and in the Iranian revolution and that, therefore, there is no fear of the

followers of the same religion as long as they are divided, different in their political inclinations and competing for the leadership. Yet, the west has found itself sounding the alarm against what it has come to call the political Islam. What could the reaction possibly be--considering that the issue is as much the issue of the west and its main concern as it is the issue of Islam and of the Muslims--if the other "Islams" go along with the winds of the Iranian Islam and if they spread these winds wherever they wish, thus letting them gain the leadership, and what if the "third Islam" arises with the vigor of its regimes, the might of its oil and the strength of its extension from the ocean to the Gulf?

The historical facts do not recognize the newness of the "political Islam" because the creed is more practical than theological in nature. Moreover, Islam does not recognize a first, second or third Islam because the creed as a whole is indivisible.

Perhaps what is new is that the west finds itself in a dilemma and in fear for its empire. This is why it has begun to portray Islam's rise as a step backward and a step that could damage "its democracy," especially since the west has never dealt with Islam except as an instrument to help it impose its colonialism, disregarding the fact that with the 19th century thinkers, Islam turned from a mere slogan coloring the state into a national identity confronting the repeated western attacks against the Islamic east. There are those who believe that the Iranian revolution's option for the Islamic solution has disturbed the world because it has revived the theory of Islam as an ideology and has, therefore, foiled the west's endeavors to erase this ideology.

#### Saudi Reservation

The same disturbance dominates the view of Saudi Arabia which has a strong system based on Islam and which leads a policy of negative reservation toward the two Camp David accords--a policy that has enraged the apprehensions, hatred and pain of Egyptian President Anwar al-Sadat as a result of the suspension of the Saudi aid he was receiving. President al-Sadat even went as far as accusing Saudi Arabia and Libya of planning an attack against Egypt on the eve of King Khalid's and Colonel al-Qadhdhafi's meeting last October. The fact that the Saudi monarch took his ministers of defense, economy and interior with him to Tripoli made his meeting with the colonel more than a courtesy visit. The western media expressed on their part their suspicions regarding the Tripoli meeting, especially since the communique issued after the meeting said that Saudi Arabia and Libya "have agreed that Islam should be strong and that Jerusalem should be free." A strong Islam, how? The answer is possible at the theoretical level. Within the framework of the shocks caused by the Iranian revolution, there has also been an intellectual review. This is because some of those who have tasted the failure of the plans for national revival and unification have again come to cling to Islam in the hope that it will be the rescuing piece of wood. Others have been stunned by the failure of the socialist experiences in Vietnam, Cambodia and other places and others besides these and those have stood wondering in the face of the neo-old event. Is it

a passing flareup or is it a real return to the authority of Islam? And what authority is this with which they are ruling Saudi Arabia, Libya or Iran? And what Islam is meant to face developments fraught with the complications of the age, considering that Islam has wasted long ages in inability? Where does this Islam stand in relationship to modern sciences, international relations and economic problems? Is what is being experienced by Islam today a step toward adapting to the age and Islamizing the present problems and their solutions or is it an attempt to revive the salafi [Islamic reform movement in 19th century] thinking and its models of rule?

There are those who believe that the required "strong Islam" is the Islam with a position and a conviction that stand halfway between the two western societies--the first being the capitalist society that is floundering in its cultural crisis and the second being the socialist society which is facing the inability of socialism to solve the world's problems. Perhaps this is the challenge that Islam is required to face, otherwise it will get stuck in backwardness.

#### Dossier and Its Voices

The dossier opened by AL-NAHAR AL-'ARABI WA AL-DUWALI is a review of the position of Islam after a year of ever-faster developments taking place in the light of the 14 centuries of the Hegira that have passed on the life of Islam.

The voices included in the dossier stress that there will be no victory for Islam at present without a new reform movement that reopens the door of interpretation and of drawing up new laws that befit the conditions of the 20th century, rather that a part of this victory consists of a re-reading of the Koran or reading it in a new way. Is this possible? The voices also call for taking from the experiences of the west and stress the need to distinguish between the political and ideological struggle against the imperialist west and taking advantage of the scientific and technological accomplishments made by the western civilization.

It remains to be said that Islam is suffering from the chronic need for peace on its land and in its world because the wars and the forms of colonization experienced by this land have exhausted Islam and denied it the ability to achieve progress. There are kings and presidents who have said on several occasions that the Islamic world itself needs peace as much as it needs to defend itself and its existence.

History has witnessed the same conditions that are being repeated today and under which Islam seems the answer to the challenge. The modern world is full of challenges of fate, destiny and civilization. Is this world still capable of facing them?

Al-Salih: Door of Interpretation [al-ijtihad: in Islamic law, independent judgment in a legal or theological question] and of Fundamental Reform Must Be Opened:

Al-Salih was born in Tripoli (Lebanon) in 1926. He holds al-Azhar International Degree which is the equivalent of a doctorate in philosophy and theology, an M.A. in Arabic literature from Cairo University, several higher diplomas in English, Latin, Farsi and Turkish, a state doctorate from Paris for his thesis "The Paradise of Heaven and the Torture of Hell" and a second thesis entitled "Islam and the Spirit of Human Society." He taught for 25 years in a number of Arab universities and he is currently the dean of the School of Arts, second section, and chairman of the Arabic language and literature section of the Lebanese University. He has been a member of the Arabic Language Academy in Cairo since 1975, the deputy chairman of the Higher Islamic Shari'a Council and secretary general of Lebanon's League of Ulema. He is also the founder of the Islamic National Front and chairman of the Higher Committee for Celebrating the 15th Century of the Hegira.

He has written 17 books dealing with the Arabic culture and language and with Islamic affairs. His most important books are: "Islam's Answer to the Challenges of the Age" (in French) and "Studies on the Koran Sciences."

He has collaborated with Dennis Mason in translating the book entitled "The Meanings of the Koran" into French.

[Question] The history of Islam has known numerous systems of rule, some despotic and some applying the principles of consultation (al-shurah) and of social justice. Why this difference in application under the canopy of the same Shari'a [revealed law of Islam]?

[Answer] The various systems of government known and recorded by history under the name of Islam are one thing and the system based on consultation that Islam has brought is something else. The difference between the two is like the difference between theory and application and the difference between a just system and corrupt practices. Islam is innocent of every absolute and despotic rule imposed by previous rulers in the name of the noble Shari'a. People are people everywhere and in every time and if Islamic rule is turned on the hands of tyrannical rulers into a mordacious rule for which wars are ignited and the nation is deeply wounded, despite the presence of the one Shari'a, then this is due to corrupt practices and to the use of religion as an instrument for the tyrants to attain the domination and the might they aspire for. However, there is no doubt that the Islamic rule is supposed to be established on consultation, which is the closest thing to democracy, even though democracy has found nothing and will find nothing without democrats. The difference of rulers will always lead to a difference in political positions as long as men exploit everything to realize their interests, even if such interests call for exploiting religion itself and for committing the ugliest crime, with disregard for all spiritual values.

[Question] Can we then say that ruling in the name of Islam can bring a fascist system as it can bring into existence a democratic system? In this case, what are the guarantees or the ways with which the democratic face of the Islamic rule can be preserved?



[Answer] As long as ruling in the name of Islam is only a facade and is not truly and sincerely derived from God's Shari'a, then it is very possible for such a rule to turn into a fascist system that is as remote as possible from the essence and spirit of Islam and from the models of justice applied during numerous historical eras--models that realized Islam's supreme ideal of coordination between the material conditions and the spiritual aspirations. In such a case, it is difficult to find the guarantees that would preserve the democratic face of the Islamic rule. Such guarantees are totally lacking in the old and the new systems of government. The Muslim rulers are not unique when they insist on presenting each problem through their self-interests and when they fail to respond to the true criteria of Islam for just government among the people. But it is also difficult to make the judgment that Islam has withdrawn from the political arena finally and that the creation of an Islamic government in the light of Islam's teachings is impossible or almost impossible to achieve anew because the change of situations and circumstances is tied to certain conditions which, if achieved, are enough to upturn all the balances. For example, who would have believed a year ago that the tyrannical and despotic shah would be toppled and become a contemptible vagabond pursued from place to place? The Islamic Iranian revolution is causing an international crisis with the Americans because of the shah.

The talk of guarantees in this regard is a myth because most of the guarantees of this kind are subject to speculation, guessing, opinion and illusions "and opinion does not at all suffice for right," as the venerable Koran says.

#### Four Islamic Models

[Question] Today, there are Islamic models of government in Libya, Iran and Saudi Arabia, in addition to the Muslim Brotherhood plan in Egypt. What are the differences among these models?

[Answer] There is no doubt that we can consider the models of government in Libya, Iran and Saudi Arabia forms of Islamic political government, regardless of the degree by which they vary in their compatibility with the complete formula of the form and method of government in Islam. As for the Muslim Brotherhood movement in Egypt, we cannot yet consider it a form of Islamic rule. However, it is a rising movement with its positive and negative aspects like every current and every movement arising these days in the contemporary Islamic society. It is well known that the Muslim Brotherhood movement has suffered abysmal failure on more than one occasion whenever its leaders aspired to topple some of the existing regimes, regardless of the accusations leveled against some of the movement's figures--accusations that are confirmed by some and rejected by others. An observer of the events cannot but speculate on what similar Islamic movements that have not yet succeeded in seizing power in any Arab or Islamic country may produce.

But what is interesting in this regard is the difference that truly draws attention among the three systems of government in Libya, Iran and Saudi Arabia. Nobody can diminish the importance of the processes of the revolutionary maturation of the concept of political rule in the first two models: At the Islamic and pan-Arab level in Libya and at the Islamic and international level in Iran. Moreover, nobody can diminish the importance of the processes of the legislative enlightenment concerning the concept of applying the Shari'a in the non-political spheres in the Saudi model.

In the Libyan model, we have been and we continue to be apprehensive that the nationalistic inclination would be disproportionately and unequally mixed with the purely Islamic character--a mixture whose dimensions are indicated by the third theory advocated at one time. The advocates of this theory were, however, persuaded later to keep silent on it. We have been and we are still afraid that in the Iranian model, the sectarian or racist inclination would be mixed with the concept of the comprehensive legislative unity of the Islamic world--a unity which is rising and gaining awareness and revolutionary thinking. Something of the sort is indicated by the draft provisional constitution of the Islamic Iranian Republic on the one hand and by the position of the Iranian revolution toward the Muslim Kurds, regardless of their foreign political background, on the other hand. What makes us fear for the Saudi model is its "traditional" indecision toward the scientific, technological and revolutionary development movements and its unjustifiable inability to discover the relationship between the internal laws that accompanied our historical cultural movements and the general laws that still proceed side by side with the realistic social movements and with the currents of the cultural revolution and of social justice in the contemporary consumer society.

These are, in our opinion, the differences and distinctions between these models which, we must admit, have enriched--despite some of their negative aspects which we have explained briefly--the Islamic political thought in an unprecedented manner. All of them will have the strongest impact on formulating our future revolutionary aspirations to set up the Islamic rule on the firmest scientific bases when the opportunity arises to realize such aspirations in the very near future, God willing.

Results: Agreement or Difference?

[Question] Do you think that the Iranian experiment will produce a new model of Islamic rule different from those existing in Libya and Saudi Arabia or will it reach the same result?

[Answer] Despite some objections to the Iranian experiment, especially in recent weeks, and despite some of the accusations voiced by some people here and others there to what they allege to be a deviation from the tolerant aspect of Islam, of the Muslims' relations with others and of the continued cultural interaction between the various human models in our modern age, it is still our right, rather "our duty," to praise the Iranian experiment. It is enough honor and glory for this experiment that it destroyed a tyrannical shah who considered himself a demigod and who, the world later realized, was the most contemptible vagabond.

Whenever you hear people talking nowadays of the solemn and stern face and about what they call religious oppression, or "the oppression of the shaykhs and of clergymen, as they allege," I recall the words of the Arab prophet to those who witnessed the greater Badr battle, who took part in al-A'ak incident and who also accused 'A'ishah, the mother of the faithful, of that of which God has declared her innocent in His venerable book. On that day, the prophet of God, may God's prayers and peace be upon him, said: "What would you think if your God appeared to the people of Badr and told them: Do what you want for I have forgiven you?"

However, our praise for the Iranian revolution from the general political aspect does not mean that we condone all the acts that have conflicted in recent days with the revolution's moderate and calm initial stances, regardless of whether such acts pertain to certain social legislations, to some diplomatic relations or to some sectarian and racist inclinations. We hope that such acts are no more than transient stances, the likes of which have occurred in all the revolutions of the world's ancient and recent history. We cannot but admit under all circumstances that the Iranian experiment has offered the Islamic system of government a living model very different from what exists in Libya and Saudi Arabia. It is not a must that this experiment reach the same result reached by others, if the Iranian revolution leaders recognize their historical responsibility of bolstering the success of their revolutionary model which, we do not doubt for a moment, has the right to belong, with much of its dynamic character, to the realistic Islamic thought that is fundamentally and essentially established on struggle and jihad.

#### Role Toward Backwardness

[Question] Some say that Islam is the best way out of the backward situation under which the Arab and Islamic worlds live and others hold Islam responsible for this backward situation.

[Answer] To put it very simply, it is my belief that Islam, if understood correctly, constitutes the best way out of the backward situation of the Arab and Islamic world. Within the socio-economic framework, Islam is almost the strongest revolutionary factor for bringing the modern society out of its monotony and frigidity with all the solutions that this Islam can offer for international reform and for enhancing man's place in this world.

Islam, with its ever-developing and ever-rejuvenated legislative method can offer the aimless and tormented humanity which is being pulled at by both the eastern and western camps--Islam can offer this society a middle-of-the-road social formula striking a balance between the material needs and the spiritual values and saving the world from the flaws of overindulgence and waste.

This is if what is required of Islam is to be the way out of the socially and economically backward situation of the Arab and Islamic world, and even

of the entire modern world. Such solutions are an indivisible part of the fundamental religious task of Islam--a task denied only by the arrogant and obstinate. But if what is required of Islam is to turn from a divine system into a purely human political system, then it is necessary to re-examine the correct Islamic provisions in this regard so that it may become clear to us that Islam came to build a society and to develop a nation which it calls the best nation brought to the world and that it did not come to be a mere political system that sets up a state without a nation and without a people and among whose followers there is no real bond.

The truth is that Islam, the religion of positive realism, does not have it in its system to approach people in their real life with imaginary ideals that produce nothing in the real life of people. Islam did not visualize in its early stages, and not even in the provisions of the Koran and of the Hadith, and could not visualize in those early stages all the ancient and modern political phases. By the rules and laws of government that it imposed, Islam anticipated the events of the successive generations, disregarding in its anticipation the effect that the mentality of each generation will have on laying down the laws and defining the rules. It is as if by leaving the picture of government simple and established on consultation, Islam has preferred to let people discuss the way they want to build their society according to the cultural and developmental goals they seek, like a beehive building its cells out of its secretions and always remaining active and energetic.

#### Reform Movement Required

[Question] Is a new Islamic reform movement urgently required in this phase and is this possible?

[Answer] Of course nothing will be achieved without a reform movement that takes into consideration the developments in the social situation. To complement this, it is natural that the door of interpretation--a door closed by sinful hands of which Islam has been and will always be innocent--must be opened.

We again say that if what is required is to draw up a modern social formula and a complete theory for an Islamic economic system derived from the very great and frank provisions in this regard and with which to face the systems of the modern world, then this is more possible now than ever before because the Islamic states find themselves more capable now than at any time in the past to select the path that they want to follow easily and securely, having rid themselves of all the forms of custodianship, mandate and colonialism and considering that some of them possess the sources of energy and that they have begun to voluntarily break their "traditional" ties with the rigid and petrified mentality and to move willingly toward a new and advanced modern starting point.

It is well known that the Koran and the Sunna are silent on some affairs, rules and conditions connected with more than one legal branch, as we have already explained when talking about the Islamic system of government in



which the principles are established and the details left untouched. The Koran's and the Sunna's silence on all this has been intentional on the one hand and has frankly prepared, on the other hand, for development in the legal formulation so as to harmonize man's conditions in every place and time with the spirit of the Islamic Shari'a and its fundamental principles that do not clash with man's interests.

Consequently, the door of interpretation (ijtihad) must be opened [re-opened] not to deal with the issues of worship for which the provisions are present and which concern God alone but to develop the legislative thinking of the Muslim ulama so that they may exert serious efforts that take into consideration all the social developments in our modern society.

#### No Intransigence and No Stagnation

[Question] Is Islam's position toward the contemporary issues of industrial progress, modern philosophies and women still the same old Salafi position?

[Answer] No intransigence and no stagnation after today. The Islamic position toward the modern issues of industrial progress, modern philosophies and women is moving steadily in the direction of science and technology.

All that is there to the matter is that there are frank provisions in the book [Koran] and in the Sunna [legally binding precedents based on the prophet's sayings and actions] (and not in the statements of the ancients and contemporaries) and there is no justification for interpretation in these matters because, in the light of detailed studies, these matters have not and will not clash with any of man's interests. If we take in this quick review just one example, namely that of women's rights and status, we can assert that Islam reaches in honoring women as daughters, mothers and wives a degree that no other old or modern social system has reached and that women in the eyes of Islam are complete and independent human beings that are not subject to men. Any attempt to distort this fact is due to confusion between theory and application and to the disappearance of the essence of religion behind customs.

#### Farhat: Present "Islamic Tide" Is Tantamount to Regional Attempts That Failed Politically

Farhat is the general director of the Higher Shi'ite Islamic Council. He studied theological sciences in Tehran University, Iran. He then got an M.A. in theology from the Jesuit University in Beirut. He is the imam of Burj Hammud and al-Nab'ah area and the chairman of the Charitable Islamic Society. He also supervises a number of charitable and educational activities. He has also participated in the Spiritual Families Committee and the Religious Followup Committee which emanated from the meeting of the spiritual leaderships in 1972. He is 42 years old.

[Question] There are in the Islamic world today various systems of government, beginning with Iran, Libya and Saudi Arabia and ending with the attempts of the Muslim Brotherhood, and all of them rule in the name of Islam, despite the differences between them.

[Answer] The states that rule in the name of Islam do actually follow the guidance of Islam as a lighthouse. But application is a different thing. Minds are accustomed nowadays to the presence of written and entrenched positional laws. It is not our knowledge that Saudi Arabia or others have a written Islamic constitution. Yes, there is an attempt in Iran after the Islamic revolution to draw up such a constitution. The matter is not as easy as drawing up a civil law or a penal code because the formulation of an Islamic constitution is tantamount to a new conquest in the world of codification.

In the 1930's and afterwards, the era in which our Middle Eastern countries achieved independence, the concept of al-Sanhuri Pasha prevailed in the positional constitutions of Egypt, Kuwait, Syria...all of which stipulate that Islam is the religion of the state. But this provision has changed nothing in the real situation. This provision has been a mere slogan or ornament.

My impression is that the system of government in Saudi Arabia is established on a number of deeply-rooted traditions in the tribal Islamic society. These traditions have not been formulated by a known and visible authority or power. The traditions were formed by the force of practice and have entrenched and imposed themselves. This doesn't mean that replacing them by a "written" modern constitutional form will be better. Britain is ruled by a number of firm and prevalent traditions and the supremacy and entrenchment of tradition have not diminished Britain's democracy. Rather, there has been a period when Britain's political stability was considered the result of these stable traditions. Moreover, the instability of the French regime during the third and fourth republics, i.e. prior to de Gaulle, was the result of a written constitution formulated after the defeat of Napoleon III.

Thus, this means that the conservative and traditional constitutions are perhaps better than the written modern constitutions. Insofar as Libya is concerned, it is difficult for us to say anything with certainty, especially since there have been successive reports about the Libyan regime's position toward the prophet's Sunna. There have also been reports regarding the venerable Koran and some of its phrases. If the reports are true, then this regime is not only non-Islamic but may have also done what the enemies of the religion have not done.

As for the Muslim Brotherhood's attempts, they cannot be discussed within the sphere of systems of government because evaluating them through the writings and through the attempts are two different things.

As for the recent Iranian attempt, what it has displayed so far shows that there is the determination, resolution and faith to establish a sound Islamic rule on the basis of the Islamic specifications and concept. This is evident in the projections and stances of the revolution leaders and in the Islamic and international comprehensiveness characterizing these positions.

#### Western Return

[Question] Some hold Islam responsible for the backwardness of the Arab and Islamic worlds. Is it possible to transfer the western experience to these two worlds?

[Answer] What is meant by "backwardness" must be explained. By the prevalent European criteria adopted by the United Nations, a country in which the individual income is less than 300 dollars, or nearly 1,000 Lebanese pounds, annually is considered backward. They rely in this regard on dividing the so-called national income by the number of the population. Smolin [Samuelson], a contemporary U.S. economist, says that this method is absurd because it relies on a "secondary" criterion on the one hand and because it is not comprehensive on the other hand, considering that it disregards the latent and immovable "annual" wealth. It also disregards fair distribution. The economy in its totality may be rich but the individual within such an economy may be poor as a result of the austerity imposed by the state. The biggest evidence of the individual's poverty is: Unemployment, crime, the widespread use of alcohol and drugs, white slavery, the rejectionist and existential movements, family desertion and evading family responsibilities.

At the purely intellectual level, backwardness means intellectual vacuity. Vacuity is no less apparent in the western world than it is in our eastern world. The rising generations in the western world are angry, destructive and radical. Why? Because they have lost faith, all faith. Both the youth of the communist world and of the capitalist western world are the same in this regard. Here is where the wisdom of the Koran, which seeks to preoccupy the individual's mind with thoughts of the universe, this world and the hereafter, becomes obvious.

We again say briefly: The backwardness in the "third world" is no less than the similar backwardness at the individual level in the advanced countries. The materially prosperous minority in the western world has its counterpart in the "backward" eastern world and the creative intellectual elite in the advanced western world has a creative intellectual elite countering it in the backward eastern world. The fact that the lights are focused on the first while the second remains in the shadow is not a proof of inexistence.

Thus, to reach a sound evaluation we find that it is necessary to ask the primary question: Why? Why civilization in the western sense of the world? What is the goal and who does it serve? Who benefits? What is

the way to achieve the goal? All these are questions that have been answered by Islam. The soundness and credibility of this statement is not diminished by the failure that has been and continues to be the fate of every attempt to restore Islam to the forefront of government. The sun is in front of us and it surrounds the world from all sides at all times but darkness engulfs three quarters of the universe at all times. It is not the fault of the sun that sends its rays generously. The flaw is in us, we who do not know how to take the light and spread it. What is more, some of us take the light and conceal it. The same applies to Islam. It is the light and the warmth but many prefer darkness and impose it. As for transferring the western experiment to the Islamic world, it is a wasted effort because the experiment has failed where it started. What would happen if it is transferred? Moreover, transfer is impossible. The might--Alexander [the Great], Julius Caesar, Napoleon...--tried to do this with force and failed. The issue is one of interaction and of give and take and this is happening. The Greek civilization was influenced by the eastern Indian civilization and by the Egyptian civilization and in turn, the Greek civilization influenced the Islamic civilization. Despite denials, this Islamic civilization did leave its imprints on the western civilization. What we are witnessing today is a return: The return of the western thought to the eastern intellectual sources, especially the Islamic sources.

#### Regional Attempts

[Question] Is the Islamic tide that we are witnessing today due to the retreat of the national tide?

[Answer] It would be a simplification to attribute the emergence of a social phenomenon to one cause. It must not be forgotten that we are thinking in terms of western, and perhaps alien, criteria and on the basis of western starting points to make judgments on eastern social movements that are fundamentally different from what has happened and is happening in the west at the level of the human society and of philosophical thought.

The national waves rose in Europe in the 18th and 19th centuries and then started to recede after World War II to be replaced by some kind of yearning for internationalism--a yearning made evident in the creation of organizations that transcend national homelands. In the Muslim east, the outwardly Islam or the official Islam ruled, according to the European concept, until the abolition of the Muslim caliphate by a decree issued by Kemal Ataturk in the early 1920's. This means that the ruling official Islam disappeared from the international stage around 1922 and is still absent from this stage.

The so-called Islamic tide is no more than narrow regional attempts seeking a change in establishments that are alien to their regional roots and that have been proven a failure as political systems of government. No prominent side has yet declared its desire to seek to set up an Islamic state in our Arab world. But such a precedent has taken place in several non-Arab Islamic countries, the most outstanding being the attempts of Muhammad 'Ali Jinnah in India before it was partitioned and Imam Khomeyni's attempt in Iran at present.



To put it briefly, it can be said that the previous attempts to set up a kind of Islamic government (al-Wahhabiyah, Sharif Husayn's dream, King Mohamed V of Morocco, Faruq and the caliphate, the Muslim Brotherhood attempts, al-Mahdiah movement in Sudan) indicate, despite their weakness, that the Islamic tide has never stopped interacting at the political and social levels.

At the intellectual level, there has been a burning Islamic tide, even in the ages called, out of ignorance and indolence, the ages of decadence because thought does not retreat and does not decline. Failure to focus the lights on prominent intellectuals in a certain age does not mean the nonexistence of intellectuals in that age. What I mean by all the above-mentioned is that the Islamic tide that we are witnessing today is not new. It is the result of a constant interaction that can be felt by whoever seeks to find it. But the rise of this tide in the eyes of the western press and the western information media's focusing of their lights on this tide are due to purely materialistic western reasons: Oil and the dollar.

What do we expect for the Islamic tide?

We are optimistic in the long run because we are confident of the idea's suitability and competence for life. When the suitable idea is found, it must be embodied in good work. What is important is to spread and disseminate the idea and this is helped by the failure of the western attempts to find solutions for the problems posed by the civilization of the consumer production. It is natural that the western civilization built on dealing with man--the living, ever-interacting and dynamic creature--with rigid means would fail.

Imagine that inanimate bodies interact with each other by virtue of natural physical laws, such as the principle of universal gravitation and the principle of diffusion and infiltration and this makes approaching such bodies as dead entities a scientific heresy, let alone man--regardless of how backward. The west establishes its social, behavioral, physiological and philosophical laws as if they were eternal laws and wants to rule the east through them. After a short period of history's life, this west finds that its laws, rules and systems have collapsed and fallen atop each other.

On the other hand, we find that there is constant interaction in Islam, even though its followers have not made any technological accomplishments like the ones we see dominating the western civilization. Here a big question must be asked: What is the use of the contemporary technological accomplishments? Have they made man happy and are they expected to make him happy? The contemporary problems of civilization--environmental pollution, crime, drugs--indicate the failure of all these approaches, especially the approach toward social life by the systems of government. Isn't it rational and sensible not to fall into the experiment--the experiment of the material accomplishments that have enslaved man instead of liberating him?

Islamic thought has devoted absolute attention to man as a human being whereas the western civilization has dealt with man as an instrument, as the object of an experiment and as a laboratory rabbit, rat or dog. It is the Nazi thought and the purely scientific thought.

The Islamic thought has not fallen so low and this is why I expect it to prevail in the long run because it is a return to the true fundamentals and to man as such.

Carrier: Problem of Islamic Thought, Reactionary Change of Shari'a

Carrier is a French sociologist who is especially interested in studying the Arab society.

He is a researcher in the National Institute for Political Sciences and an instructor at the Sorbonne University in Paris.

He has written several books on the Palestinian issue and the Palestinians, including: "The Ideologies of the Palestinian Resistance" (1972) and "The Palestinian National Movement," published by Galimart in 1976. This is in addition to books on the current relations between the Islamic and Arab worlds. A book he has written in this sphere will be published shortly under the title of "The Islamic Justification for Arab Socialists."

He is a Frenchman who lives in France and visits the Arab world frequently.

[Question] The history of Islam has known numerous forms of government, some despotic and some applying the system of consultation and of social justice. Why is this difference in application under the name of the same Shari'a?

[Answer] There is in the mind of every Muslim an ideal image of the Islamic political and social system, basing this image on the first experiment of government at the outset of Islam. But the political experiments that have taken place in the various ages convey to us various forms of the Islamic government, forms ranging from despotism to justice with a predominance of the despotic inclination as a result of the fact that the Islamic thought follows the divine system. This is what we call theocracy. However, there are those who believe that theocracy in the precise sense of the word does not exist except among the Shi'ites because there is no clergy among the Sunnis. To the Sunnis, all Muslims are equal and any Sunni man of religion or statesman, such as Habib Bourguiba, 'Abd-al-Nasir, al-Qadhdhafi or al-Sadat can say he transmits and implements the teachings of Islam according to the Shari'a. But among the Shi'ites there are, some people believe, theocratic traditions and some aspects of the "clergy." I personally don't believe that these are more theocratic than the others. What I mean is that something similar to the Islamic Iranian revolution can happen in any Sunni Muslim country and we can imagine this to happen in Egypt or in any other country. The leader can declare himself a caliph or anything of the sort. In the wake of the failure of the attempt to

assassinate al-Sadat in 1974, the religious organization that was behind the attempt distributed in Egypt pamphlets calling for the resignation of the government in favor of a caliph of the Muslims.

### Three Inclinations

[Question] There are various and different Islamic systems of government in Libya, Saudi Arabia and Iran. What are the differences between these systems that rule in the name of Islam?

[Answer] I distinguish between three inclinations. First, there are Islamic countries where the majority of the population is Muslim. Regardless of whether monarchic or republican, the systems of government existing in these countries are not Islamic.

Second, there are states with Islamic systems, such as the present-day Iran, Libya, Saudi Arabia and Pakistan where the regimes implement Islam according to the rules of the Shari'a.

Third, within the second inclination, two forms of government emerge: Socialist and revolutionary Islamic systems, such as that of Libya, where those adopting these systems say that they are socialists because they are Muslims and that they have no connection with Marxism and with the western socialist concepts. There are also the rightist Islamic systems, as in Saudi Arabia, that view all socialist thought as communist thought and that lead the hostility toward communism which, in their opinion, is tied to Zionism.

[Question] This means that the Islamic system in itself bears within its folds the possibilities of the establishment of several kinds of regimes.

[Answer] The Islamic system can accept several forms of government. However, this does not eliminate the fact that the predominant inclination in the Islamic history has been toward the despotic systems, or the one-man regimes, even though the true Islam does not permit this kind of regime and urges all to obey the instructions of God, the supreme commander, alone.

[Question] You have spoken about the political systems in Libya and Saudi Arabia. What about Iran and about the Muslim Brotherhood movement?

[Answer] The Iranians say that they are applying social justice as established by the Koran and the Muslim Brotherhood also demands that Islamic justice be applied as it was applied at the outset of Islam by Prophet Muhammad and Caliph Abu-Bakr. I believe that the fundamental ideas of both sides are the same, though not completely identical.

### Between Shah and Khomeyni

[Question] If the general inclination of the Islamic government is toward the despotic individual rule, then does this mean that any Islamic regime is ultimately despotic, regardless of how different the beginnings are?

[Answer] I don't believe so but this is what I fear. Khomeyni has toppled a despotic regime but he has now begun to engage in some despotic acts and this has nothing to do with Islam. There is a revolution in Iran now, there are democratic demands and the people want equality, justice and free expression. These are Islamic values.

I am afraid that the regime in Iran will become despotic. However, I am opposed to what the western press reiterates these days, namely that Khomeyni is as despotic as the shah. This is not true because I know that Iran enjoys nowadays a degree of freedom that it had never known under the shah.

#### Reform for Development

[Question] Is the rise of an Islamic reform movement that reorganizes the life of the Islamic societies in the light of the requirements of the age what is needed today?

[Answer] What scares me is the reactionary interpretation of the Shari'a and the return to the rigid systems. This is the problem of the Islamic thought at present and this is the responsibility of the Muslim intellectuals who have not yet explored the nature of the Islamic faith and have not embarked on a profound criticism of the reactionary and ancestral thought. Take for example what happened in Europe in the 16th century when the history of Christianity and the life of Christ and of the Church were re-examined. On the other hand, take the reform movement led by Jamal-al-Din al-Afghani and Muhammad 'Abduh. This movement produced no important results because it did not embark on a profound and courageous criticism of the ancestral thought. Now comes Khomeini and the Muslim Brotherhood that--had this movement achieved what it had sought in Egypt--have nothing to offer other than to repeat what has already been said about Islam.

There is no doubt that there are real problems in the face of any reform movement.

There is the problem of the Muslim intellectuals who consist of two groups: The intellectuals with an Islamic education who have not been able to break away from the circle of the traditionalists and who have continued to speak the language of Islam alone and there are the intellectuals who say that they are Muslims but who are outside the actual Islamic environment and who know more about the west than they know about Islam. What is required to solve this significant problem is that the ulema and the jurists descend among the people and into society to familiarize themselves with some modern sciences, such as sociology. The other intellectuals are also required to pay attention to the Islamic heritage and Islamic thought in the hope that both sides will reach common points.

In a radio interview in which I took part, there was among the participants a Muslim inclined, it seems, toward the Muslim Brotherhood who said: Some people think that there is no modern Islamic thought. But wait, Islam



started with Muhammad and no Muslim thinkers emerged until the ninth century. Now we have to wait. After Khomeyni and al-Qadhdhafi something new will emerge.

In any case, I believe that there is hope for the success of a reform movement, even though some orientalist believe this to be impossible because it is impossible to criticize the Islamic faith, considering that the Koran consists of divine words that cannot be touched. I don't believe this. Sociologically, every religion is forced at one time or another to adapt to the status quo. There are those who say that Islam is the only religion capable of adaptation to the new life and to the developing conditions. This is possible objectively. Throughout the long history of Islam, this religion has proven that it possesses a considerable capacity for adaptation.

[Question] Can the Iranian experiment produce a model of government different from what is present in Libya and Saudi Arabia?

[Answer] There is a group in Iran called the Mojahedin-e Khalq which says that it is an Islamic organization but which calls at the same time for thinking with the mentality of people in the 20th century. The organization says that the Koran came under certain historical circumstances and that contact must be re-established with the Koranic reality. This is what Arkoun says and what is partially said by Michel 'Aflaq who stresses that the Islamic revolution is the Arab revolution and that Muhammad is the first revolutionary. In any case, everybody is trying to be the Muhammad of the 20th century but so far nobody has succeeded.

#### Western Experience

[Question] Can the western civilizational experience be transferred to the Islamic world?

[Answer] I hope that the Muslims will have their own experience which emanates from the Islamic civilization and which is adopted by the Islamic people, rather peoples because there are differences between Indonesia, Pakistan, Iran, Egypt, Morocco and Senegal. But even under the canopy of this Islamic system, there will undoubtedly be western influences, as was the case at the beginning of the Islamic state which was influenced by the Greeks, the Romans, the Persians, the Christians and the Jews. The mark that distinguishes Islam in history is its ability to take from the other civilizations without adopting but rather through analyzing and innovating new things. There is nothing to prevent such a process at present, namely the process of taking from the west what may be of use to the enhancement of the Islamic societies. This does not at all mean subservience to the west. There is no conflict whatsoever between opposing the west politically and ideologically and taking from it in the spheres of modern sciences and knowledge.

What has happened so far is the transfer of the western parliamentary or socialist systems or attempts to imitate most of the western systems, as was the case in Turkey and in Iran during the shah's reign. All these attempts have failed. The solution lies in a democratic Islamic system or a socialist Islamic system that enables the people to express themselves.

#### Crisis of National Current

[Question] Is the current Islamic tide the result of the decline of the Arab national current?

[Answer] Yes, we can say this. The national current and the Arab national movement passed through a serious crisis in the wake of the dispute between the Nasirists and the Ba'thists, of the subsequent splits among the Ba'thists themselves, of the 1967 defeat, of the collapse of Nasirism and of the problems of the Palestinian resistance movement. This is what has made people turn toward something beyond this nationalism and toward their Islamic affiliation.

Even though Islam is an "internationalist" religion, al-Qadhdhafi's statement that there is no difference or conflict between Arab nationalism and Islam is possible. Anyway, the Arabs are the vanguards of Islam and it seems that the future harbors some kind of unity among the various parts of the Islamic world. We should not be surprised if there emerges in the future a new form of the "Ottoman Empire." But this time, the center of this empire will be a Kingdom of Saudi Arabia allied with Iran.

[Question] Is the Islamic tide a transient spurt or is it a true return to Islam?

[Answer] No, it is not a spurt. It is a return to the Islamic awareness reflecting itself in a strong popular movement. But for this current to become realistic and for the return to be real and to be able to stand fast, there has to be intellectual ideological action and there has to be a new reform movement that adapts Islam to the new realities.

#### Arkoun: Iranian, Saudi and Libyan Systems Are Not Islamic Systems

Muhammad Arkoun is an Algerian who taught Arabic literature and Islamic culture in Vincennes University, Paris (1972-77).

He is currently the professor of Arab philosophy and culture at the new Sorbonne University in Paris.

He has written several books, including: "The Arab Human Doctrine From the Fourth to the Tenth Century" (1970), "A Literary Study" (1969), "Aspects of the Traditional Islamic Thought" (1963). He also wrote the preamble to the French translation of the venerable Koran, published by the Billiad [phonetic] House. His book entitled "Knowledge of the Koran" will be published shortly by the Sindibad House.

[Question] The history of Islam has known various forms of government, some of which have been despotic and others which applied the system of consultation and of social justice. Why has this difference in application existed under the same Shari'a?

[Answer] The important question is whether there is an established Shari'a to which all the Muslims refer or whether there are numerous positions resulting from the various interpretations of the old jurists and ulema and whether the interpretation of each of them was tied to the social and historical conditions concerning their age and their cultural and social environment. This question is both historical and intellectual. What I mean is that the Muslims do not bring it up in this form because they think that Islam is the same, considering that the imams reached all the rules that constitute the Islamic Shari'a. This position prevailed among the Muslims when the four well-known schools prevailed among the Sunnis and the Shi'ite Ithna'ashariyah school prevailed among the Shi'ites. On this basis, it is said that the door of interpretation was closed. What this means is that the Muslims should be content with referring to the ancient books written by the interpreting imams. This concept was entrenched in the minds of the Muslims when Imam al-Shafi'i composed his famous thesis on the rules of jurisprudence--a thesis which points out that the Shari'a rules are concluded precisely and unquestionably on the basis of the provisions of the Koran, the Hadith, consensus and comparison which comprise the four well-known rules. But in the wake of the Islamic nations' contact with the west in the 19th century, new problems emerged in the Islamic societies and the Muslims felt the need to reopen the door of interpretation. This is the meaning of the reform movement led by Jamal-al-Din al-Afghani, Muhammad 'Abduh and other interpreters. However, this movement had limited influence because it did not touch on the historical intellectual problem, namely the problem of the structure of the Islamic Shari'a and the dilemma of the connection of this Shari'a with the historical, social and cultural conditions in the various societies.

In recent years, Islam has come to play a more and more important role in the political and social revolutions taking place in the Islamic countries where the political tendency predominates the religious concept and the spiritual inclination.

These Muslim revolutionaries have no time to re-examine the intellectual and theoretical problems and they are content to use the strong mythical (mythique) concept prevalent among the Islamic nation, namely the concept of justice and the concept of government established on the well-known principle that "there is no rule except for God." These two concepts of justice and of rule have had a strong influence on the Muslim conscience for centuries. They are the concepts that stir this conscience in Iran at present. This also happened during the Algerian revolution. This is why we cannot say that the Shari'a, as has been understood by the ulema, is what directs these movements. It is more correct to say that political pressure, both foreign and domestic, is what creates the atmosphere of struggle. In this atmosphere, the Islamic nation may regain some of the

values known in the Islamic teachings. But it may also move away from these values because it is in dire need of solutions for problems that further intensify with this struggle.

One Islam or...?

[Question] It seems that your talk about the single Islam is theoretical. In principle, there is a single Islam but realistically, there is a multi-sided Islam [islam muta'addid] which started with the death of the prophet and in the wake of the outbreak of the political struggle among the various Islamic sides and inclinations. Does Islam bear within its folds the seeds of this multiplicity?

[Answer] Islam itself does not bear the seeds of this multiplicity and we must say that it is very difficult to define the concept of Islam. All people use this concept. Islam is this and that and Islam says so and so, and so forth. This kind of thinking cannot persuade the intellectual world because like other religions, Islam does not exist in heaven but on earth. It is tantamount to dealings among people in society. Sociologists say that religion, any religion, exists in society and not above it or outside it. From this angle, we can understand easily that what we call Islam is comprised of events that happen in a certain society and that are expressed in legislative, symbolic and descriptive models inspired by the Koran, the Hadith and the Sunna. In any case, society--and not the abstract Islam--is the side that speaks. Therefore, it is inevitable that we encounter these descriptive methods of human existence that vary from society to society and from age to age. But the element of unification between these models and expressions on the one hand and that Koranic dictionary which the Muslims have gotten accustomed to using on the other hand--this element of unification and this Koranic dictionary persist. Even though this Koranic dictionary remains the same under all conditions, its intentions have changed and do change with the change of place, time and social environments. On this sound basis, we can understand what is now happening in the Islamic societies. When we say that all that is happening in Iran is happening in the name of Islam, we are doing Islam an injustice with such a statement.

Conditions of Islam

[Question] Here lies a part of the problem in understanding the truth of Islam. In Iran, they say that what they are applying is Islam. They say the same in Saudi Arabia, in Libya and so forth. Previously, you refused to describe these conditions as conditions of political Islam. What do you call them, then?

[Answer] They are politics as such. They are the way each society expresses what it produces as a society because each society produces itself. This is a sociological concept by which participants in a society do not abide because these participants are not theoretical sociologists. These participants express spontaneously what they see and what they feel. The Muslims



have to use a dictionary to what we have gotten accustomed to call "Islam." This [dictionary] is, in fact, a real and positive thing that exists within the framework of every society and this dictionary must be examined before Islam is. However, such an examination is non-existent because the Koran is, as I have already pointed out, a number of teachings, expressions and models. No man can absorb all these teachings, expressions and models, record them firmly in a book and say: Here is the correct Islam. The proof of this is this enormous number of ideas and interpretations produced by the Muslims throughout the history of Islam. These interpretations are the result of the large number of rich meanings. This is why we should distinguish the linguistic position of the Koran which is different from the ordinary linguistic position that we find in the current ordinary books. The language of the Koran is a mythical language with a mythical structure. Here, I hope that the Arab readers will not commit grave mistakes when they read the Koran, as often happens when they do. The language of the Koran is a mythical language. Some people take the word "myth" to mean a fable that does not exist. This reflects ignorance of all that anthropology and linguistics have done to underline the important and fundamental tasks of the "myth." These are collective historical and psychological tasks and the "myth" is considered one of the strongest collective psychological motives in the history of mankind. This is why we believe that the strength of the Koran is always rejuvenated under the various historical and social conditions because it is in the nature of the "myth" to renew its meanings and to strengthen its influence in societies.

#### New Reading of Koran

[Question] So you call for a new reading of the Koran. Is this the center of the required reform movement?

[Answer] Yes, this is the meaning of a new reading of the Koran. It is new in the sense that it is not bound to the linguistic philosophy advocated by the ancestors. This is the philosophy that says every word has a certain and exact meaning found in the dictionary.

[Question] Do you expect this new reading to bring about legislations more compatible with the conditions of the present societies?

[Answer] This new reading will arouse new problems on the one hand and will make us, on the other hand, understand the old use of the religious provisions and to get closer to the truth of the things and of the events that we have been accustomed to describe as religious events because religion, if we analyze it in this new way, emerges to us as a complex and many-sided reality concerning various meanings and containing numerous levels of man's life.

[Question] All the reform movements that appeared in Islam have faced the impossibility of deviating from the approved interpretation of the Koran. Is what you are calling for possible under the canopy of Islamic legislation and of the closed door of interpretation?

[Answer] Who said these words about closing or opening the door of interpretation? They are people and not God, may He be praised. This is why we should view all that has happened in the history of Islam from human angles as human events and as a human application of the symbol. We do not imagine that people receive the true meanings of symbols and fully apply them in their life so that they may become firm and isolated models to which everyone abides without interpretation. Such an approach would constitute a total elimination of our examination of meanings, of language and of the human condition in history. We cannot discuss Islam or any other religion if we do not possess a sound knowledge of what the humanities have produced since the 1950's. Regrettably, we are still very far from the important results of these sciences [the humanities]. This is why we are still talking about these issues with very old concepts, definitions and theories that no longer have any scientific value.

[Question] At present, there are models of the Islamic system of government in Libya, Iran and Saudi Arabia, in addition to the Muslim Brotherhood's plan in Egypt. What are the differences between these models?

[Answer] First, it seems to me that it is verbally and theoretically unfair to say that the systems we find in these countries are Islamic systems. For the reasons that we have already mentioned, it is more correct to say that they are endeavors made by certain people who are, of course, Muslims in the sense that they have had an Islamic upbringing and that they believe in the Islamic values. These people are trying to apply in their policies and in their measures what they believe to be--according to their understanding, their education and their positions--Islam. Consequently, they give the name of Islam to what they establish and what they do. But a thinker must always comprehend, analyze and understand the numerous and various meanings of these endeavors that we witness in many of the Islamic countries.

So, what concerns me as a historian of the Islamic thought who abides by what history, meaning the numerous political experiences undergone by the history of the Islamic states, and as a thinker who distinguishes the political inclination from the religious and philosophical inclination in all the efforts that man exerts to accomplish something in any political, religious, philosophical or intellectual movement on which man embarks--what concerns me as a historian and a thinker is to say that all those who have been observing what has been happening in the Islamic countries for several years should be careful in their words and in their judgments so that they may not ascribe Islamic qualities to non-Islamic matters. For example, when we look at economic policy, the social measures or the educational systems existing in a country, we must examine them and must distinguish between what belongs to the past Islamic experiences and what belongs to modern experiences, especially experiences occurring in non-Islamic countries such as the western countries. We are witnessing nowadays a comprehensive phenomenon in both the Islamic and non-Islamic countries, namely the phenomenon that political measures generally follow the western models historically. This means that we follow modern models innovated recently. Considering that we do not approve subservience to the western models, we become compelled to re-attire these models, in terms

in terms of the date of innovation, and to ascribe them to Islamic systems, like when we say that democracy comes from the early Islamic experience and dates back to consensus among the Muslims whereas the fact is that consensus is different from the elections that take place these days in the democratic countries for example.

#### Transfer of Western Experience

[Question] Is it possible to transfer the western civilizational experience to the Islamic world and what is required at this level?

[Answer] First, we are cut off from our Islamic past and from the Islamic thought and Islamic culture that flourished and became well-known in the productive ages, meaning from the first century of the Hegira to the fourth or fifth century of the Hegira. We are ignorant nowadays of most of the ideas developed in that age. I mean, for example, that we and many people are still ignorant of the political currents of that age, such as the current of al-Mu'tazilah [a theological school which introduced speculative dogmatism into Islam]. We are still ignorant of the historical truth of the first era of Islam to which we refer when we speak about justice, democracy and freedom in Islam. When we refer to this era, we do so at the "mythical" level and not at the real historical level, i.e. the level of the actual facts. This is ignorance. We live in this ignorance while speaking as if we are not ignorant.

On the other hand, we are also totally ignorant and completely cut off from the historical and intellectual truth of what we call the west. We talk about the west at the level of the ideological struggle that developed among us in the 19th century. The west was not born in the 19th century. It has a long history and very many ideas that we have not studied and have not learned. So we use the west at the ideological level, at the level of rejection and the level of the revolution against political and economic forces that have persecuted the Islamic countries since the 19th century. This situation has reached a point which makes us unable to see the true historical and intellectual dimensions of the west. When we hear that Iran or Afghanistan reject the west, such rejection is natural because they have suffered persecution on the hands of the west and it is the right of the people to revolt and to reject. But it is also the duty of the people to familiarize themselves with the real experiences and with the true historical facts made by man as a human being.

Thus, this phenomenon of being cut off from our roots and our history as Muslims and being cut off from the historical and intellectual experience of the west must be eliminated. We must reach the phase where we can put matters in their right place and can distinguish between the intellectual inclination and the inevitable political struggle. Only then can we say that the Islamic thought has regained its early independence and has reached a point that enables it to control its current history.

Ben Shaykh: Islam Will End If Advocates Undermining It Are Not Deterred

Jamal-al-Din Ben Shaykh is Algerian.

He taught Arabic literature and comparative literature in the University of Algiers from 1962 to 1969. He is presently the chairman of the Arab Studies Branch and the professor of ancient and modern Arabic literature at the University of Vincennes, Paris.

He has written critical works on poetry and participated recently in a French television symposium on the film "The Message" (al-Risalah) by Mustafa al-'Aqqad.

The main reason for the success of Islam is that Islam accepts various practices and is not subject to one definite practice. This fact is what produced the religious groups and sects, each of which claims absolute abidance by the principles and values of Islam that are embodied in fraternity, justice and freedom.

These values are, of course, present in Islam but they only constitute scattered and diffused elements. Moreover, they do not form a system by themselves. Thus, every political attempt relies, in its efforts to find a justification, on the scattered elements and proceeds on their basis to direct Islam to serve its self-interests and benefits, using the numerous arguments and proofs of jurisprudence to persuade peoples.

Meanwhile, the political systems cannot manipulate the same elements because such systems are built on definite choices and ideas that accept no ambiguity.

If we look at the situation in Iran, for example, we find that we cannot separate the people's uprising there from the actions carried out by Khomeyni. In the shah's era, the Iranian people were controlled by a single class that monopolized Iran's resources and wealth. But this class has now turned into a target on which the people's hatred is focused and the people have supported Khomeyni who, in the name of Islam, called for fighting this class. At one phase "consultation" became one of the symbols aimed against the forces that were in control of power and that prevented the majority of the people not only from getting to a university but also from earning a living.

At the same time, there are some Koran phrases that prove that what Khomeyni is doing clashes with the Islamic religion in principle. However, Khomeyni has in fact borrowed some of the elements of Islam. He has wrenched them from the Islam established in the Koran and involved them in a historical action in accordance with which he has come to claim that he represents the true Islam.

What deserves to be pointed out is that Islam in the Iranian action is different from Islam in al-Sadat's action in Egypt, of King Hassan II in Morocco and of what is in Algeria and others. There are steps in the



Islamic ladder and each regime selects a step that forms its total and absolute Islam within whose bounds such a regime rules. This is what distinguishes Islam from the Muslims. Islam is a number of principles whereas the Muslims are a group of various actions.

The failure of the revolutionary parties is also due to various causes: First, the lack of reliance on a popular base; Second, the impossibility of creating a true revolutionary awareness among the popular classes; Third, acceptance by these parties to establish alliances with any regime in the Arab world, regardless of whether such a regime is reactionary or claims to be revolutionary.

The parties, to put it briefly, move within a partial revolutionary tactic but do not possess a comprehensive revolutionary strategy that can chart the correct course for their movement.

[Question] What about Islam's relationship with the west since the beginning of the eastern civilization's contact with the western civilization?

[Answer] Since the Crusades, Islam has turned the relationship between the east and the west into one of hostility. The latest proof to confirm this hostility is the colonialism at whose mercy we are still living at all the political, economic and social levels.

The old idea that says a harmonious, integrated and self-sufficient part of the world can live by itself and in isolation from the rest of the world has become an impossibility. The Arab world must think of the need for ~~the~~ relationship with the other peoples, but on the basis of an awareness of this relationship built on rational foundations and not on emotions and sentiments, as is the case currently--a case whereby the Arab world accepts what should be rejected and rejects what is good for it.

Our relationship with the outside world which is based on a mixture of fear and pride and which reflects a movement of acceptance and rejection proceeding hand in hand in our world must be ended.

Islam Will End

[Question] Secularism is a western concept. The principle of separating church from state is a product of the European thinking and is not a part of Islam which makes church and state a complete unit. How do you view this issue at present?

[Answer] If we backtrack to the early years of the creation of the Islamic state, we find that the goal of Islam was to create a state and to protect it from its enemies. The creation of a state is one of the characteristics of the religion of Islam. Thus, the ambition of Islam as a religion is to create a state because the founders of Islam themselves created [sic] the religion and the state together.

Religion is the word and the image of the word is the state. This organic relationship between the word and the image that represents it explains an important aspect of Islam. But it creates ambiguity at the same time. Where is the ambiguity? Isn't it in the failure to define the task of each of the two sides of the relationship, namely the church and the state, thus allowing each side to portray Islam in its own say?

Islam lives within an intrinsic tragedy resulting from this mixing of religion with politics. The relationship between religion and politics in Islam is what has brought Islam to its present condition. This relationship has led the Muslims along a path that says that the only issue that Islam projects is the issue of government and of attaining power. This is the fundamental pivot that governs the development of Islam in its relationship with itself and with the outside world.

A quick glance at the present Islamic actions, beginning with Iran and Egypt and ending with the other countries that adopt Islam, reveals that Islam has become a mere mask behind which various political and economic groups hide themselves. Each of these faces claims to be the sole representative of Islam and everything else to be false.

The content of the intellectual battles of Islam in the first four centuries is a lot more important than the intellectual content [current] prevailing these days. This is what makes us wonder if what remains of Islam is nothing but the political mask.

What is required of Islam is to understand its true role and to state that it has nothing to do with politics and with the deluge of their dirt.

We are in "tragic need" of rescuing Islam. But who, we wonder, will realize this miracle other than the faithful? And I do not find from the ocean to the Gulf a single believer possessed by his faith.

The Muslim is either retreating to his shell of silence and separating himself from what is occurring around him or is a partisan who moves only when the political authority needs him.

I am looking for a single Muslim who has no connection with politics and with parties to stand in any Arab country and say: I have no opinion on politics but out of my belief in Islam, I reject the government's actions against political prisoners and I reject all the means of torture and suppression used against society.

From time to time voices rise here and there to defend the principles of Islam but the true reasons motivating such voices to speak are soon discovered.

So, allow me to phrase the question differently: What is Islam and who speaks on its behalf? Islam is not the property of certain circles, classes or states. I fear for Islam from those who carry Islam on their shoulders and undermine it. If these people are not deterred, a day will come when Islam will end forever.

[Question] Many are the countries in the world that were backward and that have overcome their backwardness (Vietnam, for example). Is the continued backwardness of a large part of the Arab world due, as some people imagine, to Islam?

[Answer] I would like to answer this question with two words: No, the reason for backwardness is not Islam but the Muslims who claim to be Muslims. The proof of what I am saying is: Was the Abbaside caliphate under Harun al-Rashid backward at a time when Europe was immersed in the darkness of ignorance?

#### West's View

[Question] In recent years, the topic of Islam has been the subject of extensive discussion in the west. What is your evaluation of the west's view of Islam?

[Answer] The main reason for the west's interest in Islam is the fact that the Arab countries possess a big economic power based on oil. Add to this the fact that the west has entered the phase of the fear of Islam because the conquests of Islam are still alive in the memory of the west. This memory is repeating silently: They have returned, they are here, they have returned.

Concluding his statements, Jamal-al-Din Ben Shaykh said: When the French television invited me recently to take part in the symposium on the film "The Message" by Mustafa al-'Aqqad, I re-read the prophet's biography and this biography, especially the part concerning the prophet's life in Mecca, overwhelmed me. I felt the presence of an atmosphere of fraternity, justice, love and hope. But as soon as I referred to the interpretations of the linguists, the files of the jurisprudents, the statements of the rulers and the behavior of people, I felt that the hope that I had experienced was lost and I felt the need of this earth for the return of the prophet.

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NO BASIC CHANGE FROM POLITICAL RELAXATION

Paris LE MONDE in French 29 Dec 79 p 4

[Article by Daniel Junqua: "Relaxation of Political Atmosphere. Produces No Fundamental Change--One Year After Death of President Boumediene"]

[Text] Algiers. On Thursday, 27 December Algeria with discretion and composure, celebrated the first anniversary of the death of president Boumediene. In the morning, president Chadli Bendjedid, escorted by all members of the FLN [National Liberation Front] Central Committee, went to the El Alia cemetery to the tomb of the former chief of state.

Ceremonies were held throughout the country before the monuments to the martyrs of the revolution, along with religious and cultural events as well as silent marches. On Wednesday, the Central Committee had decided to name the airport of Algiers--Dar-el-Beida (Maison-Blanche), as well as the science and technology university of Bab-Ezzouar, which is nearby, for the former president whose death profoundly shook Algeria.

But the succession came off without any trouble, while legality was fully observed. The "liberalization," so strongly desired by certain people, bitterly fought by others, did not take place. President Chadli Bendjedid did not miss any opportunity to recall his determination to follow the socialist guidelines spelled out in the constitution and by the Fourth Congress of the FLN in January. None of the economic decisions made by Boumediene when he was still alive were challenged, even those that had been most severely criticized by certain circles, such as the nationalization of foreign trade. The objectives of the next plan of course have given rise to lively discussion on account of the corrections to be made but none of the officials basically challenged the all-powerful position of the government in the economic sector.

Looking at the political situation, president Bendjedid made sure to translate into action the desire expressed by the congress in giving primacy to the FLN and to reorganize it. He supported the action taken along these lines by party coordinator Mr Yahiaoui. He regularly convened the Political Bureau which was informed of all important matters.



The Central Committee, the country's highest political authority, also plays the role assigned to it by law. The chief of state, who retained all of his predecessor's powers, as he had announced, is working very hard to get the institutions to work in a spirit of dialogue and so as to make sure that each can assume its responsibilities.

#### Glib Tongues

The quality of the budget debate, which is taking place in the National People's Assembly, where deputies have even gone so far as to question the administration and to demand the establishment of a commission of inquiry on certain matters, is highly revealing in this context. A gentle breeze has also blown in the field of information. The press is now bringing out the country's real problems by taking a closer look at them and less and less avoids troublesome subjects. It is even beginning to cover the strikes in order to denounce them and preach the spirit of dialogue. The climate is undoubtedly more relaxed than what it was in the past; tongues have become loosened somewhat; nonconformist opinions are tolerated. The regime of president Boumediene had relegated everything that preceded "the revolutionary reorganization of 19 June" to oblivion. But it is now less dangerous to talk about the past and its actors; the accent is above all on the launching of the armed struggle in November 1954 and 19 June 1965 is now only an episode in the Algerian revolution.

Algeria thus, on all levels, is experiencing greater freedom of expression but there has been no fundamental change. The measures taken in the heat of the presidential elections—release of certain persons sentenced for political crimes, partial lifting of measures ordered against Mr Ben Bella, elimination of authorization needed to leave the territory, restoration of the freedom to preach in the mosques—have not yet been followed up. President Bendjedid several times recalled the rules of the game and the limits of the dialogue with the opposition and the challengers: There is no question of abandoning the single party or amending the constitution.

The exiles can return, provided they accept common discipline. Besides, they must not be compromised with Morocco (an allusion, it is said, to men such as Mr Boudiaf). No opposition member who has found refuge abroad has returned, although contacts took place with some of them, such as Colonel Zbiri, Mr Ait Ahmed, or Mr Ali Mahsas. Only Mr Boumaza has spent a few days in Algeria at the time of Aid el Kebir to "see which way the wind was blowing." Mr Ben Bella is still confined in his villa at M'Sila, in the high plateaus, where he is under strict surveillance. His final release, announced on several occasions as being imminent, does not seem to be foreseeable within the near future, at least so it is hinted, so long as the region is experiencing current tensions because of the Saharan conflict.

Mr Bouteflika, minister and adviser to president Chadli Bendjedid and member of the Political Bureau, on Thursday, 27 December, attended the second working conference of the FLN Central Committee. With the exception of a brief stay to attend a meeting of the Political Bureau on 3 October, the former minister of foreign affairs has been abroad for almost 9 months. His state of health necessitated special care and that in part undoubtedly explains his long absence; but it also seems that he wanted to dissociate himself after he was forced into the minority during the weeks following the death of president Boumediene.

5058

CSO: 4400

CENTRAL COMMITTEE MEETING, STUDENT STRIKES SPREAD

Paris LE MONDE in French 2 Jan 79 p 5

[Article by Daniel Junqua: "Strike by "Pro-Arab" Students, Condemned by Chief of State, Spreading to Several Provincial Universities"]

[Text] Algiers. The FLN Central Committee, meeting since 26 December in the Palace of Nations, near Algiers, completed its work during the night between Sunday and Monday. Important decisions reportedly were made in various areas studied by the participants: Housing, water power, education, and planning. But they will not be announced for another 24 or 48 hours. On Monday, the press only published the general political resolution adopted by the Committee.

This resolution hardly provides any new information. It reaffirms the guidelines for Algeria's foreign policy. It hails the Iranian revolution which "made it possible for a brother people to liberate itself from the yoke of feudal oppression," but it remains mute on Soviet intervention in Afghanistan. Just 3 weeks from the visit to Paris by Algerian foreign affairs minister Benyahia, the Central Committee asserted also "Algeria's desire to arrive at an accord on all of the questions constituting the background of Algerian-French relations on the basis of mutual respect and balanced interests."

In his closing address, president Chadli Bendjedid, secretary-general of the FLN, did not conceal his dissatisfaction with the strikes of college students, high school students, and workers which have been taking place in recent times. "Of course, problems do exist," he indicated, "and we are not reluctant to admit that they exist. But we are convinced that it would be a shame not to try to resolve them in an objective fashion through dialogue and agreement."

In this way the president wanted to leave a door open for "bonafide" challengers whose preoccupations he understands and shares. But he seems to be intractable toward those who, in various ways, try to attack the revolution. It is not certain that this line of action is

enough to restore calm at the universities which for more than one month have been disturbed by a "pro-Arab" student strike, with the students demanding jobs and the total Arabization of the civil service.

Far from becoming diluted as time went on, the movement has become hardened and now has spread to the universities of Constantine, Oran, and Annaba. The "pro-Arab students" are expressing their bitterness over not having been received by the chief of state in posters placed on the walls of the university. The president condemned the use of strikes and agitation and feels that the problem must be settled within the normal framework of institutions; he refuses to engage in any kind of demagoguery. The decisions made by the ministry of higher education, concerning the Arabization of French-speaking Algerian students, that is to say, the possibility for the Arabic-speaking students to take courses in the Arabic language, the creation of an Arabic-language university, the establishment of Arabic courses during summer vacations, and the considerable increase in training courses in the countries of the Near East, do not seem to satisfy the strikers who seem to want to push the test of strength as far as possible and who openly challenge the Algerian Youth Movement.

Mr Mohamed Said, managing editor of the Arabic-language newspaper ECH CHAAB, has denied a report published in our issue of 28 December, according to which he resigned from his office; he noted that he is still in charge of that newspaper.

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CSO: 4400



## TECHNICAL COOPERATION WITH FRANCE

Paris LE MONDE in French 23-24 Dec 79 p 11

[Article by D.J.: "Technical Cooperation with France Due to Grow"]

[Text] Algiers. The mixed Algerian-French cultural and technical cooperation commission met at Algiers on 18 and 19 December. The activities, it was noted on both sides, took place in an excellent atmosphere. About 3,000 French civilian cooperation personnel are today at work in Algeria, along with several hundred active national service volunteers. After a long decline, the personnel strength for the past 2 years has been increased, especially in education. These cooperation specialists in particular play an important role in starting the university centers established in recent years in the country's interior. Some of them do so under difficult conditions. A group of teachers for instance has been waiting for decent housing for 3 months at Annaba. But in this case, as in some other cases, this is due to difficulties of an essentially local nature. Overall, the authorities are doing everything they can to facilitate the settlement of the cooperation specialists but they must themselves face tremendous problems in the field of housing which limits their action leeway.

Along with national education and higher education, both of which are still very demanding, the Algerian "technical" ministries are increasingly participating in the meetings of the mixed commission. Technical cooperation is to be developed considerably during the years to come, especially in the field of vocational training where France could help by establishing several institutes and 13 regional multi-purpose training centers. Activities are also planned in the sectors of housing, water power development, finances, and PTT [Post Office, Telephone, and Telegraph]--with the latter two ministries wishing to go in for information science procedures.

Some delicate problems were probably raised. Such as the problem arising from cooperation specialists who interrupt their contract and continue to draw their pay in France for 2 or 3 months. Algerian felt that the improperly paid amounts--about F20 million--should be gotten back by Paris from the individuals involved and should be returned to the Algerian treasury.

The Algerians also think that certain measures, taken with regard to students going to France for their studies, are contrary to the agreements between the two countries. The French authorities demand--by way of admission requirements--that the students not only have a certificate of matriculation at a particular school, which is provided for in the laws, but that they also supply affidavits as to financial resources, housing, and even a checking account. But, to open a checking account, you have to be a resident. So you have a vicious circle here.

The police also want the word "student" to show on the passport. Now, civil servants or management personnel from Algerian national companies sometimes take an advanced or refresher training course even though they are not students. Algeria not without reason feels that all of these vexations make for a rather unhealthy atmosphere which is in conflict with the declarations concerning the open-minded approach and dialogue made in recent months by French political authorities.

5058

CSO: 4400

# DETAILS OF PAHLAVI ASSASSINATION REVEALED

Paris LE POINT in French 31 Dec 79 pp 50-51

[Article by Jean-Marie Pontaut: "Tehran-Paris: The Secret Ballet of the Killers"]

[Text] Behind the murder of the former Shah's nephew is the silhouette of a strange general: The chief of the new secret service of Khomeyni.

On Friday, 7 December, at 1310, a lean young man, wearing blue-jeans and carrying food in a plastic bag, entered the Dupont mansion, a sumptuous private residence in the 16th District surrounded by private town-houses. While walking along the dead-end street, a passerby, his face concealed by a motorcycle helmet, came alongside in front of number 19 and fired a 9-millimeter bullet into his neck at point-blank range. The killer bent over the body and carefully fired the coup-de-grace. Then, without running, he returned to Pergolese Street and disappeared. Shahryar Shafik, 34, the nephew of the former Shah of Iran, had just been assassinated (see LE POINT, number 377).

Political crimes often for an instant lift the curtain of mystery from the secret war of murder. But the curtain came down again quickly and then there was silence again. Nobody wanted a diplomatic incident. The police quickly classified this as a case which, due to lack of evidence, cannot be resolved. Only the special services are still looking into the matter, quietly, for their own benefit.

Just like the French intelligent services--RG (General Intelligence), DST (Directorate of Territorial Security), and SDECE (Foreign Intelligence and Counter Intelligence Service)--LE POINT wanted to find out what was behind all this. Who killed Shahryar Shafik and why?

Since the murder of the former sovereign's nephew, there was of course the possibility of a blind execution ordered from Iran by the fanatical Ayatollah Khomeini, the former prosecutor of the Islamic court who encourages the faithful to engage in a holy war: Assassinate the members of the royal family wherever they may be.

But today, the murder of Shahryar Shafik seems to be more in the nature of a "political" act: The prince supposedly was executed because he worried the new regime and his assassination reportedly was carefully planned.

Shahryar Shafik was the son of Princess Ashraf, the former Shah's twin sister, nicknamed the "Black Panther," of whom Stalin had said that she was "the only man in the family."

Earmarked for a military career, Shahryar Shafik studied at the Royal Navy College in Dartmouth in Great Britain. He then got his helicopter pilot's license in Texas in 1971. After that, still in the United States, he entered the War College, specializing in naval air command functions. On his return to Iran, he was appointed governor and commander of the naval base on Kharg Island, a strategic position which enabled him in 1977 to become the deputy commander-in-chief of the fleet in the Persian Gulf and the Sea of Oman. A military man first of all, he refused to take the name Pahlavi, to which he was entitled, and he stayed away from the court. While his brother Shahram, likewise a refugee in Paris, had a reputation as a big business operator (he was a member of more than 150 companies under the old regime), Shahryar seemed a man of integrity and the army respected him. He married Francoise Eghbal, the first wife of one of the brothers of the former Shah, whose father had been manager of the National Petroleum Company and whose mother currently lives in Paris, on Hoche Avenue. Shafik was to be one of the last members of the imperial family to leave Iran.

He left on the day the Islamic Republic was proclaimed on board a small boat which ran aground upon his arrival off the Emirate of Dubai. From there he first of all went to France and then joined the former Shah in exile in Morocco. He then undertook a long trip throughout the countries of the Middle East. "He wanted to assemble an army to return to Iran; that was his only goal: To see his country again," his young sister, Princess Azzadeh explained. Wearing blue jeans and a T-shirt, the young woman seems to live like a nomad in the huge mansion with the paneled walls, devoid of any furniture, in the rear of the Dupont villa where her brother was assassinated. This house at one time was the residence of the former Empress Soraya and has today been transformed into a fortress. Police in front of the door and bodyguards inside.

The princess accuses the new regime of Khomeyni of having assassinated her brother because he was preparing a coup d'Etat with the army in Iran. According to her, this effort was about to succeed: "My brother arrived from a country in the Middle East, which I cannot specify, where he had trained troops. He was to return there, after a detour by London, before going into action. General Fardoust, the



chief of the new Iranian secret police, organized this crime. He had sent his goons from Tehran to organize this operation. Then he came himself to Paris in order to give the final order."

Another movie-type character, this Gen Hossein Fardust, short and dumpy, is a childhood friend of the former Shah, "He met him at the age of 9 and he betrayed him at 59," an Iranian personality said. Hossein Fardust, it is true, was a fellow student of young Pahlavi at the famous Rosey school in Switzerland. He then kept up with the rise of the Shah. "He slept under the king's bed," it was said at court. After having been made a general of the army, the emperor assigned him a key post: Controller of the intelligence services. For him, the sovereign created the "Vigeh Daltar," a special security bureau, which controlled the minister SAVAK [Security and Intelligence Organization] but also the gendarmerie and general intelligence. Fardust then carved an empire out for himself within the empire. He got together with two important generals: Farasian and Kaveh, the directors of the two services under S. S. Fardust also--if we are to believe insistent rumors--was the CIA agent at Tehran. He supposedly reconciled his interests and those of the Americans who, initially, were not too hostile to Khomeyni whom they considered an alternate solution to the worn-out power of the Shah.

These three generals, Fardust, Farasian, and Kaveh, wanted to go on wearing their uniforms with the brass buttons. In November 1978, Fardust sent General Kaveh to France to establish contact with the Ayatollah who at that time was in exile at Neauphle-le-Chateau. From then on, the monarchists maintained, Fardust worked against the Shah. According to them, the main reports from SAVAK concerning the revolt which was taking shape were not passed on to the king. When the Ayatollah took power, many were executed by firing squads but Fardust remained. On the basis of the five directorates of the old SAVAK, he even created a new political police, called SAVAMA (Organization for Security and National Intelligence in Iran). This service reportedly prepared the murder of Prince Shahryar Shafik, the only man capable of organizing a military mutiny.

Shortly before his death, the prince supposedly, on Foch Avenue, met the former chief of staff of the ex-Shah, General Oveissi. When the prince (who holds a forged Moroccan passport) arrived at Dupont villa, a strange ballet of Iranian generals took place in Paris.

Early in November, one of Fardust's lieutenants, General Farasian, registered at the Alexander Hotel on Victor-Hugo Avenue, and then moved to an apartment belonging to him on Poincare Avenue. He met many Iranian refugees and explained to them that, since he disagreed with the policy of the Ayatollah Khomeyni, he had chosen exile. He even saw a military man, a former employee at the Iranian embassy in Paris, with whom the prince had an appointment at the time of his death.

Just 2 weeks later, another member of the trio, General Kaveh, appointed head of SAVAMA after the revolution, came to France. He discreetly moved in with a retired major general, General Key.

Finally, a few days before the prince's death, the mysterious Fardust himself undertook an open voyage to Paris. He supposedly came to Europe to purchase equipment and spare parts which the army had been short of since the American blockade. Coming from London, the former imperial inspector supposedly slept in the ambassador's private residence on Fortuny Street. Then, His Excellency Eddin Amir Alai was recalled to Iran and the embassy--after having recovered, with the help of French justice, some apartments occupied on Leonard-de-Vinci Street by former monarchists--now shelters about a hundred young people (who camp out there and sometimes insult the rich Iranians in exile who keep showing off from the terraces on the Champs-Elysees). The enigmatic Fardust seems to have left Paris for Geneva on 6 December, on the eve of Shahryar Shafik's execution.

The homicide squad, whom rumors reached after this assassination, very discreetly interviewed generals Parasian and Kaveh who came in quite "spontaneously." They denied being involved in the crime and they declared that they were political exiles. They had never met General Fardust in Paris, they maintained. They were waiting there, they said, to be joined by their families in order then to go to the United States. The judicial police does not seem to have any other leads.

A former important minister of the Ayatollah Khomeyni--today in retirement on the Cote d'Azur, whom LE POINT was able to meet--likewise advocates the idea of vengeance against the family of the former Shah. He learned only shortly after the revolution that the new regime had created a secret police but, he added, rather enigmatically, it is not called SAVAMA.

Is this just a bit of oriental humor or is it a state secret? Although he denied it, this well-informed but not at all talkative man supposedly had a meeting recently with the "boss" of SDECE, Alexandre de Marenches. The chief of the French intelligence service supposedly also met Gen Sadoune Shaker, Fardust's lieutenant, in the South. We do not expect to learn anything from that angle. In this political thriller, nothing is certain, there is no evidence, and nobody knows what the outcome will be. In contrast to the authors of best sellers, the authors involved here are hoping for as few readers as possible.

5058

CSO: 4900

MONTAZERI DISCUSSES IRAN'S FOREIGN RELATIONS, DOMESTIC CONCERNS

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 24-30 Dec 79 p 30

[Interview with Ayatollah Husayn Montazeri]

[Text] When he talks to you, he sits back on his heels looking at the ground, captivating you with his modesty and reminding you of the early disciples of the Messiah and the Prophet Muhammad. He is Ayatollah Husayn Montazeri, member of the Revolution Command Council and Friday preacher in Teheran, with whom AL-NAHAR AL-'ARABI WA AL-DUWALI met and discussed matters pertaining to the Iranian Islamic revolution.

[Question] What does Ayatollah Montazeri think of Carter?

[Answer] We didn't expect Carter to defend the Shah, for he is a religious man who has raised the slogan of defending human rights. How can Carter, the devout Christian, defend the Shah?

[Question] What are the chances that solutions for American-Iranian relations will be proposed?

[Answer] There have been no specific solutions to date. However, time is pursuing us, and the operation is more than just a question of holding hostages. We believe that the world has begun to understand our cause. Our struggle is not for the sake of a group of hostages, but is a struggle for total independence, freedom and liberation from American hegemony.

The United States enslaved Iran for 25 years, and the Iranians want to be finally released from this subjugation.

[Question] What are the dimensions of relations with the Soviet Union, now and in the future?

[Answer] Our relations with the Soviet Union are normal, although we have not severed relations with the United States. We are not enemies of any state, and we want to establish normal relations based on non-intervention.

[Question] But has Afghanistan's connection with the Soviet Union had any effect on relations between the two countries?

[Answer] Soviet intervention in Afghanistan was mistaken and incorrect. The Islamic states must make an effort to confirm their independence.

#### The Army's Role

[Question] There are some people who say that the army will have a privileged role in future political life.

[Answer] The army's participation in political life is just like the participation of the rest of the people. It does not participate in the capacity of a special organization, and the same goes for the Islamic Revolutionary Guard. The individuals in the army and the guard have rights and duties. According to the Iranian Islamic Constitution, they cannot declare a state of emergency or martial law. Therefore, there is no privileged role for the army.

[Question] In your estimate, are the western nations benefitting economically from the American-Iranian crisis?

[Answer] We are trying to achieve self-sufficiency. It is impractical to sever relations between us and the United States, for we are connected with the latter [western] nations.

[Question] But you need technology and expertise--so what are you doing?

[Answer] We will not give privileged treatment to one nation over another, but we will benefit from the latter nations without that affecting our independent policy.

#### The Minority Problem

[Question] How do you view the problem of national minorities in Iran which are demanding autonomy?

[Answer] In the new Iranian constitution there are clauses giving full rights to all nationalities. In the constitution there is no discrimination among Iranians. It is true that there are disparities among the regions; some have resources like oil, for example, while others are poor. But our development policy will take this fact into consideration. Section Seven of the constitution contains seven articles dealing with regional self-administration through local elected councils. But the goal of these raising the autonomy slogan is secession.

[Question] If the constitution guarantees minority rights, then why did Imam Khomeini promise the Kurds that he will take their demands into consideration?



[Answer] Imam Khomeini's promise was confirmation of the constitution's guaranteeing rights to all.

[Question] Could events in Azerbaijan possibly develop into a demand for autonomy?

[Answer] The western-connected left is behind what is going on in Tabriz, as well as the hands of Savak and elements connected with America. The people of Azerbaijan are very vigilant, and they will definitely not bring up autonomy.

[Question] Why did a group of religious men demand that Ayatollah Shariat-Madari dissolve his party?

[Answer] Because this party harbors a group of opportunists and Savak elements who have infiltrated it.

[Question] What about the "theologian's state" dispute between Ayatollah Khomeini and Ayatollah Shariat-Madari?

[Answer] If it were not for the "theologian's state" how would Shariat-Madari have reached this position?

[Question] Your relations with Iraq as well as with Saudi Arabia are poor. Are they expected to improve?

[Answer] We are nobody's enemy. This question ought to be asked of Iraq itself. The Iraqi government has interfered in our internal affairs in Kurdistan and Khuzestan. If Iraq wants to demand Arab rights, let it demand them in Palestine and go fight Israel. We know that all the Arab people are with us, and that these people pay homage to the Islamic revolution in Iran, either secretly or openly. But some Arab regimes are connected with imperialism. I am amazed at those regimes which are supported by the west and which defend it. Saudi Arabia is serving the west rather than the people of the region. With respect to oil, whenever oil prices go up, Ahmad Yamani increases oil production for the west. For example, Iran sells a barrel of oil for \$50, and takes payment 2 months in advance, while Saudi Arabia sells it for only \$10. As a Moslem, and every Moslem has the right to advise other Moslems, rulers or people, I admonish these rulers and say to them that the Shah had a greater military capability than they have, and Savak was stronger than any Arab intelligence agency, but the Shah fell because he warred against Islam. I ask: how can they rely on the United States, which has frozen Iranian assets? What guarantee is there that America won't do the same thing to them? It is better for us to work for the people's sake and not for the sake of foreigners, and to not oppress the people like the Shah did.

#### Agriculture's Priority

[Question] It is said that on the economic level in particular you are concerned with the question of agriculture in Iran. What is the reason for agriculture's priority?

[Answer] This year Iran's wheat production increased. My concern for agriculture derives from the fact that the former government tended to make agriculture big business, and to make Iran a country relatively subject to a consumer economy. Now our goal is independence. This is the secret of my personal concern with agriculture and animal resources. We must not forget that Imam Khomeini himself called for cultivating the land according to the principle "the land belongs to the one who tills it." Thus, non-cultivated land becomes public property.

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CSO: 4902

CIA DEBRIEFING OF HOSTAGES LABELED 'TORTURE'

Tehran TEHRAN TIMES in English 27 Dec 79 p 2

[Article by Terry Graham]

[Text] While the Moslem students guarding the hostages have permitted bales of Christmas cards to pour into the embassy compound and while Christian clergymen have visited the hostages on the invitation of the Imam, the CIA is planning a terrible retribution for any hostage who dares to express a pro-Iran or pro-Islamic Revolution view on return to the U.S.

The CIA is anticipating a certain sympathy for the Iranian people and their Revolution, because of the positive sentiments expressed by released hostages like Marine Sgt. William Quarles (whose whereabouts is unknown).

Why, indeed, is it that the Moslem students have afforded the American press and media every opportunity to visit the hostages, view their conditions and talk with them--as well as affording American visitors without ulterior motives the same access--while the CIA in Washington has kept the returnees under lock and key, in strict secrecy, allowing no communication with the press?

The answer is simply that the Iranians are working out of honest faith, devoted to bringing about a just society with human dignity as its focus, while American policy is dictated by self-interested bankers and industrial moguls whose sole purpose is protection of private gains and license to continue plundering, to which end they will justify any means, however, un-human, inhumane--even anti-human.

The CIA and its organs--TIME, NEWSWEEK and a good portion of the American press--are preparing their attack on the unsuspecting hostages--unsuspecting except for the elements who themselves are operatives, of course.

For the innocent, their promises of a terrible ordeal in store--according to the news we get from non-CIA-controlled press sources, as well as between-the-lines in the official, censored American press.

TIME magazine's report on the Quarles-Siegel incident was discussed in Sunday's Focus. Today a further analysis on what TIME (America's PRAVDA) indicates of the CIA's plans for hostages like Cpl. William Gallegos, who expressed not unfavorable views about his conditions in an NBC televised interview.

The first matter to be considered is the basis of CIA reasoning in the matter of the projected hostage "debriefing," which must more properly be seen as a rather demonic brainwashing.

The CIA's brainwashing, intensified, if necessary, by subtle forms of psychological torture (less subtle, if electrode shocks or heavy sedating drugs or amphetamines are applied), begins--as all American psychological experiments must--with an assumption: that health in a released hostage is directly proportional with the individual's negative view of the captors, the Islamic Revolution in general, and the leadership of Imam Khomeini.

If the hostage is wise and seeks to avoid lifelong CIA or FBI harassment, possibly involving long forced imprisonments in mental hospitals, he would do well to curse his captors and Islam and make violent gestures of support for the peace-loving efforts of David Rockefeller and Henry Kissinger to restore an iron-clad and necessarily despotic police state in Iran as a first step towards creating a cordon of slave-states making the world safe for rampant American business enterprise.

But some ex-hostages may be stirred by a wave, if humanly laudable, sense of honesty. These people--like the saints and martyrs of human history--will be dealt with very severely.

To justify prospectively harsh, if not outright brutal, measures, specialists of the CIA's psycho department have invented a jargon term, "the Stockholm syndrome," referring to an incident of hostage-taking in the Swedish capital in 1979.

If the CIA psycho specialists were children in a sandbox, they could be written off like the hypothetical juvenile horrors in William Golding's novel, "Lord of the Flies." But, alas, they are, to outward appearances, adults, although their penchant for psychic disorders may indicate complexes which have stunted normal growth to maturity, in its own right.

Hence, their work falls more in line with the situation described in Ken Kesey's work, "One Flew Over the Cuckoo's Nest," where psychotic doctors, nurses and attendants provide a hellish underworld of oppression designed to drive even the most tranquil inmate into spasms of pathological hysteria.

Of course, the TIME article prefers to cite another novel as the CIA psycho's ideal, since Keasy is unlikely to be on the favorite reading list of profiteers and sadists in the psycho trade. The book is John Fowles' 1963 bestseller "The Collector."

Fowles is a specialist in the bizarre, the "abnormal." He provides a new twist on the Gothic novel or the traditional Aleister Crowley horror tale. This psychiatrist's apologist is more subtle than "The Exorcist" or "Rosemary's Baby" by hiding the demons in the more pseudo-scientific guise of analytic psychiatry made a little more tasty with a pinch of fashionable pseudo-mysticism.

But whatever the kinks of the CIA hired "shrinks," they are waiting to unleash their full arsenal on the unsuspecting hostages in a way that must be explored further.

CSO: 4920



# LIBERATION MOVEMENTS IN TEHRAN 'TO EXPOSE U.S. ATROCITIES'

Tehran TEHRAN TIMES in English 1 Jan 80 p 2

[Text] Tehran--Seventeen different organizations have so far declared their intention to participate in the gathering of the freedom movements of the world planned by the student followers of the Imam, according to the students talking to reporters yesterday at the occupied American Embassy.

The students, in outlining the aims of the gathering, said that the Iranian Revolution was part of the international revolutionary movement, and not separate from it, and the Imam has many times indicated that Iran supports all freedom movements engaged in a struggle against oppression.

Therefore, they continued, the students decided to invite these movements to Tehran to acquaint them with the ideals of the Islamic Revolution, and to clear up the distorted picture presented to the world by imperialist-controlled Western press.

Moreover, these international revolutionaries will explain their own struggles and difficulties to the Iranian people, and hopefully grounds will be found for fuller cooperation between the various movements, and the Tehran conference will provide a platform for related discussions.

The students announced that invitations were extended to various groups on the condition that they are people's movements, anti-imperialist, and not aligned to the super-powers. If the talks proceed satisfactorily, and the desirability for collective action is shown, then it will be one to be considered for the future.

The students were asked whether requests for financial and military aid by these movements would be provided by Iran, to which the students replied that the Iranian Revolution is for all the deprived people of the world and the Iranian nation will be only too willing to help in which ever way they can, even as far as sacrificing their lives.

Those invited to the gathering are from amongst noted dissidents and freedom-fighters, said the students. For example, Bishop Capucci, who spent many years in Zionist prisons and William Miller, an American Indian, have been invited, because the aim of the students is to expose American atrocities in Iran and other places in the world.

In reply to the question, what should the stand of the Iranian government be with regard to the influx of the revolutionary movements into Tehran, the student said, they believe the government should follow the wishes of the people, and to help all it can in this respect, because the nation has, since the Revolution, welcomed with open arms, representatives from these movements and will continue to do so.



CSO: 4920

SOVIETS REPORTED RETURNING TO IRAN

Tehran TEHRAN TIMES in English 23 Dec 79 p 3

[Text] Tehran--The Russians are coming, which is to say they are returning to Iran after fleeing during the violent revolution which toppled the shah.

The return of the Russians coincides with the critical breakdown in American-Iranian relations over the seizure of the U.S. Embassy on Nov. 4 and the holding of 50 American hostages, an action supported by the Islamic Republic which replaced the monarchy.

At a time when the embassy crisis has severed trade and economic ties between the United States and Iran, the Soviet Union and Iran are restoring such links.

The great majority of the estimated 4,000 Russians who were here during the reign of Mohammed Reza Pahlavi left in a hurry just before he was knocked off his peacock throne.

Now they are returning at a rate estimated by various sources at several hundred a week.

Although the Russians arriving in Iran on two flights each week and by ship on the Caspian Sea include women as well as men, there is no evidence that family groups are returning in significant numbers.

The first train from Moscow since the February Revolution arrived in Tehran this week in a resumption of service.

Some Russians are returning to Isfahan, where the Soviet Union built for Iran the nation's largest steel mill.

The Russians also built machine tool factories at Arak and Tabriz and a power plant at Ahvaz. They are interested in the Aras River Dam near the Russian border and in coal mining in Kerman Province.

What is perhaps most important to the Soviet Union is the one million cubic feet of natural gas per day it imported from Iran's southern oil-fields before the Revolution, the import level is believed to be about half that now.

Gas production depends on oil production, which is roughly half what it was in Iran before it was disrupted by the Revolution.

In return for the gas the Soviet Union shipped Iran agricultural products, machinery and army trucks.

In normal times Iran's gas exports to the Soviet Union are worth about \$188 million a year.

Before the Revolution the two nations cooperated in taking the caviar from the Caspian and in efforts to clean up the sea to increase production of the delicacy. The internal unrest in Iran halted that cooperation and reports are that the Caspian now is becoming increasingly polluted.

The new Islamic government soon after it took power abrogated treaties with both the Soviet Union and the United States.

The 1921 agreement with the USSR gave the Russians the right to take military action in Iran if another country attacked it.

The 1959 Friendship Treaty with the United States provided the basis for the huge American presence in Iran before the Revolution.

Despite the treaty cancellations, the effect has been that the Russians are coming back to Iran and just about the only Americans left here are the 50 under guard at the captured U.S. Embassy. (UPI)

CSO: 4920

SOVIETS REPORTEDLY SYMPATHETIC TO IRANIAN VIEWPOINT ON GAS PACT

Tehran TEHRAN TIMES in English 27 Dec 79 p 1

[Article by Homayoun Forouzan]

[Text] Tehran--Oil Minister Ali Akbar Moinfar yesterday called for a revision of the bilateral agreement providing for the export of Iran's natural gas to the Soviet Union and claimed that the Irano-Soviet agreement not being in the interest of Iran that the prices of natural gas should be increased.

In an interview with TEHRAN TIMES Moinfar said that talks between Iran and the Soviet Union had already started and the bilateral agreement would be reviewed soon to bring it in full conformity with Iranian demands.

"The Soviet Ambassador in Tehran Vladimir Mikhailovich held a meeting with me on Monday and appeared sympathetic towards the Iranian viewpoint," Moinfar said.

A series of bilateral talks would be held to thrash out this problem, he added.

Moinfar further said that Iran had also cut down gas exports to the Soviet Union together with a reduction in oil production to bring about a harmony between the national monetary requirements and the production of oil and gas.

The gas exports to the Soviet Union would be further reduced after the setting up of a 'natural gas supply network linking the country,' he said.

In reply to a question, Moinfar said, 'oil deposits do exist in the province of Eilan' and the Ministry of Oil was embarking upon an ambitious plan to discover and explore oil fields in other parts of the country. "The oil exploration plan will be given top priority" and an effective plan would be put into force soon to explore new oil fields.



Referring to the American economic sanctions against Iran, Moinfar said 'it was fallacy' and added that the United States was not the master of the entire world and other nations were not the lackeys of that country.

However, Moinfar said that when a country enters into the most crucial struggle in the history of mankind, it should be fully prepared to meet every kind of challenge and face all possible consequences.

When asked whether the United States may create certain problems for the international oil companies in a bid to prevent them from buying the Iranian oil, Moinfar said 'it may be possible' but added that the entire world was in need of oil.

"All these automobiles and the wheels of industry around the world are moving on oil," Moinfar said.

"The economic sanctions or similar other plans cannot last longer," Moinfar said in a categorical statement.

"In the end it is Iran which will come out as victorious," he added.

Explaining the plans for the next year, Moinfar said that there was a great demand for Iranian oil and Iran planned to sell oil worth \$22 to \$23 billion during the coming year starting from March 21, 1980. This was the amount of capital anticipated for development projects and other purposes in the country next year.

Moinfar further said that the National Iranian Oil Company (NIOC) and the National Iranian Gas Company (NIGC) would soon be merged together.

CSO: 4920

# DESTABILIZING FACTORS UNLEASHED BY IRANIAN REVOLUTION

Paris DEFENSE NATIONALE in French Nov 79 pp 107-112

[Article by Jacques Vernant, Director of Research, Academy of Social Sciences: "The Iranian Revolution and the Near East"]

[Text] The fall of the Pahlevi dynasty and the Iranian revolution did not have only negative consequences for Israel. The events which took place in Iran over the past 2 years undoubtedly eliminated one of the two regimes in place in a Muslim country which maintained cordial relations--although unofficial ones--with the government in Jerusalem. (The other one is the government in Ankara which, at this point, has just lined up with Tehran.) And Iranian petroleum constituted a strategic safeguard of the utmost importance for Israel. But peace with Egypt, the discovery and exploitation of new deposits on Egyptian territory reduced the significance of the fact that the Ayatollah Khomeyni joined the front of the most intransigent Arab countries. So long as Israel can get the petroleum shipments provided for in the agreements following Camp David from Egypt--agreements whose implementation is guaranteed by the United States--so long can the Iranian abortive be considered in Jerusalem as a setback which does not have any catastrophic consequences; the participation of the United States in the tripartite Israeli-Egyptian-American accords constitute--we must say--a substantial compensation for Israel in return for the now declared hostility of Iran.

But, for yet other reasons, the Iranian Islamic revolution can be looked upon in Israel without excessive worry.

First of all Iran, if one may say so, emerged from the crisis so weakened that its diplomatic and political influence is very small, even among its Arab allies or its Muslim partners. Nobody knows how the domestic situation, which remains explosive, will develop, aggravated as it is by an economic crisis whose final outcome nobody can predict. In the now broader front of countries hostile to Israel, Iran thus is a fragile partner and there is every reason to think that this frailty will continue.

But there is more: The establishment of a political power whose structure is made up exclusively of members of the Shiite hierarchy has had shock effects in Iran and in the entire region which have not yet subsided. In Iran we now have an open struggle between the integrists who are in favor of a return to the Islamic sources--interpreted according to the views of the learned men, who are experts in the matter of religion, morality, and law--who condemn Western modernism both in its democratic and liberal form and in its communist and totalitarian form, and the supporters of a regime who, while remaining within traditional Islam, would guide Iran on the road of social progress, economic growth, and political freedom.

Besides, Islam--whose principles are supposed to be applied in their entirety in society and in the life of the individual--being Shiite Islam, we find that Muslims of other persuasions, who are in the minority in Iran, have been incited into pushing their rights. That is true of the Arab-speaking Sunnites of Khuzistan, a region whose strategic and economic importance is considerable as far as Iran is concerned, providing an outlet to the Gulf from which hydrocarbons are exported and where the country's biggest refinery is being operated at Albadan [as published]. This is also true of the Kurds in the northern part of the country who are also Sunnites and who in vain, under the new republic, in support of a change in the regime, tried to attain administrative and cultural autonomy.

We thus find that the Iranian revolution--and this is most often the case when an absolute central power collapses--triggered the liberation of centrifugal forces, inspiring national or religious communities which could challenge the very existence of Iran as a unified state.

This phenomenon is not confined to Iran, to the extent that Islam--whether we like it or not--constitutes a sounding board. Thus, the demands of the Kurds were revived in Iraq, against the Baathist government; the Kurds now demand more autonomy whereas the Shiites, who are in the majority, discreetly complain of discrimination which reserves the highest posts in the Baathist hierarchy for the Sunnites. In Syria, the Alawites, a minority Shiite group, who however is fully in control there, turned out to be the target of violence from other communities. In Turkey, in the eastern part of the country, there have been clashes between Kurds and Turks, both of whom are Sunnites, with the former getting aid from progressive left-wing formations while the latter are supported by extreme right-wing elements. The political conflict somewhere is superposed on top of the battle among the minorities. But the new element in the regional situation consists of the awakening of the minorities in the form of a more marked affirmation of community identity. The Iranian revolution provided impetus for this process. Paradoxically, a revolutionary movement, whose proclaimed objective was to revive a pure and unified Islam, caused the reinvigoration of local

movements and attitudes and further accentuated the divisions within the communities. We thus understand the distrustful reactions of neighboring countries in view of the risk of contagion from a revolution whose provisional results are not only negative in the economic and political areas but whose consequence is the birth or development of a community challenge on a level below the national level.

The antimodernism and anti-Westernism of the ayatollahs can be understood as one of the manifestations for the need, which is rather widespread outside the West and which is noticeable even in the West, to constitute or to consolidate states by working on their ethnic-cultural roots. The Shah attempted that by upgrading and, unsuccessfully, popularizing Iran's pre-Islamic past. That was the idea behind the ceremonies at Persepolis in 1971--although the tactical implementation was not up to the strategic vision. But the need which societies have--ours in the West like the others--the need they have for roots in order to live, often causes them to rediscover those roots in the territory of the traditional communities which more or less retained their identity. That is true of the Kurds in Iraq and in Iran.

Be that as it may, in the end, this search for national or cultural and religious "roots"--by crystallizing the minority identities--leads, not to the consolidation of the existing states, but to their breakup.

Throughout the entire region of the Near and Middle East, we can thus see the substitution of a system, consisting of states created after the two world wars, with a different system, a mosaic of community or "national" entities, such as Kurds, Druzes, Maronites, Palestinians, etc.

This kind of radical transformation might appear to be in line with Israel's long-term interests. If the only real cement for the opposing coalition is Islam, then any system which reduces its scope may seem favorable to the Israeli state. In a multicomunity system, based on the diversity of ethnic or historic communities, the Jewish community would have it easier in finding its place than in the current system of states, except of course to the extent that the presently hostile states, such as Iran, Iraq, and Syria, not to mention Lebanon, would presumably be weakened. Some Israelis no doubt have been dreaming of such an evolution which could also facilitate the insertion of a Palestinian community into the regional landscape.

Unfortunately or fortunately, the realization of such a scheme is impossible. Fortunately, because this kind of transformation of a particularly sensitive zone could happen only amid convulsions and counterblows which it is in the general interest to avoid. The challenge to the existing state structures would lead to upheavals which would bring about considerably different consequences. Here, as elsewhere, in the absence of having anything better to hope for, one should be content with the status quo.

While the Iranian revolution is causing shock waves which can be felt throughout the entire Muslim world, it will not contribute to bringing about the redrawing of the regional map which we talked about earlier. The countries in the region, even those which seem more artificial than others, have been in existence entirely too long, too many interests are involved there, and they are part of an entirely too intricate structure to bring about a situation in which their existence and their integrity could effectively be challenged here or without shaking the entire edifice. What the appeal to the unity of the Arab nations did not succeed in producing from the top down, the affirmation of the national or community mini-entities will not succeed in producing from the bottom up.

At most, the centrifugal forces, which are shaking the Muslim states, can serve Israel by enabling it to gain time.

But, gain time to do what? One might think that the risk of a regional military conflict, comparable to the earlier ones of 1967 and 1973, has been removed. The choice for peace, made by President Sadat, rules out a resumption of hostilities through an Arab initiative, even though terrorist actions would continue; and we must believe that Israel will avoid creating a situation that would make a conflict probable through preemptive security measures or through responses. But there is little likelihood, today as yesterday, that representative Palestinians outside the PLO would agree to enter into the negotiations provided for by the Camp David accords. The Egyptian government realizes that it cannot negotiate for the Palestinians and any form of accord concerning the occupied territories would remain a dead letter. But the overall peace settlement depends on the fate of the occupied territories. One must thus hope that the moment will come when the two principal protagonists of the conflict over the occupied territories, Israel and the PLO, will see to it that the lock, which closes the door of negotiations, is opened.

As far as the PLO is concerned, one must record the diplomatic successes achieved in recent months by the organization which claims to be representing the Palestinians. New successes are pointed up among other things by the official reception given to Yasser Arafat by the Madrid government and, even more modestly, the joint declaration issued on 25 September in the name of the Nine of the EEC by the Irish foreign affairs minister to the UN General Assembly. This declaration underscores the evolution of the Nine on the Palestinian issue. In effect, after having made reference to resolution 242 of 1967 and resolution 338 of 1973, the Nine listed the four principles whose implementation governs any overall settlement of the conflict:

- (1) Inadmissibility of acquisition of territory by force;



(2) Need for Israel to terminate the territorial occupation which it has maintained since 1967;

(3) Respect for the sovereignty, territorial integrity, and independence of each state of the region and their right to live in peace, with secure and recognized borders;

(4) Recognition of the legitimate rights of the Palestinians; the spokesman of the Nine indicated in this connection that this involves the "right to a fatherland and the right to play one's role through one's representatives in the negotiation of an overall settlement." Undoubtedly, there is no indication as to who the representatives authorized to speak in the name of the Palestinians are supposed to be.

But we must realize that the exclusion of the PLO amounts to the exclusion of the Palestinians; and the Nine have arrived at this conclusion.

This diplomatic recovery on the part of the PLO could have a twin effect on the strategy of an organization where several rival groups clash. On the one hand, the more favorable climate for the PLO--which partly results from certain Israeli moves (for example, lifting the ban on the acquisition of land in the occupied territories)--might incite the Palestinian leaders to adopt a more hard-line position or could at least persuade them to refrain from any concessions. Conversely, they might be tempted--in case of a more reasonable move--to broaden their diplomatic and psychological breakthrough toward a more moderate approach.

The participation of the PLO in the negotiations on the occupied territories is a necessary condition but it is not sufficient to arrive at an overall settlement. Negotiation does not mean succeeding. The accord could be obtained only by giving the Palestinians a homeland which would enable them, in their own country, to be full citizens and masters of their fate, to the extent that they can.

This conclusion, which today has been accepted by governments which rejected it yesterday, is not the result of a sudden and more demanding concern for justice for the Palestinians. History, if we may say, is paved with occupied territories and subjugated or displaced populations. And other peoples, whom we mentioned in the first part of this article, today fight for their independence--or their simple cultural autonomy--and hardly anybody is concerned with them in international conferences. The Kurds are a good example of this, which commentators have not failed to point up. The thing that constitutes the difference between the Palestinian case and the Kurdish case is not, quite obviously, that the cause of the former is "more just" than that of the latter. It is only that the Palestinian affair is an international affair while the Kurdish affair is not--for reasons which we mentioned in this article,

PAPER DENOUNCES IRAQI GOVERNMENT, CALLS FOR ITS ELIMINATION

Tehran ETTEHAD-E BOZORG in Persian 4 Dec 79 pp 1, 2

[Text] Once again the government of the honorable race of Baghdad has shown its ugly face. Fostered by colonialism, it painted the tomb of our most honorable religious leader with blood, a tomb which is the shrine for multitudes of those who love justice and freedom.

On the day of Ashura, while thousands of mourners were using the holy earth of Hosseyn, peace be upon him, as collyrium for [their] eyes, the mercenaries of the Ba'th government of Iraq attacked them and with the blood of innocents tinted the environs of the tomb of the greatest martyr red.

The source of this base animosity towards the mourners, those who love Hosseyn, is the animosity towards Iran which is the cradle of the Shi'ites, and the Islamic Revolution has undoubtedly extended the dimensions of this animosity.

Before the revolution and during the bloody days when our compatriots were fighting against the apparatus of despotism connected with colonialism, the government of Iraq, hand in hand with that executioner, waged a war against us because the Shah, who was in a way the great political ally of Baghdad, in concluding the disgraceful agreement of Algiers, had given that puppet government of colonialism a free hand to carry out its sinister plans in crushing Kurdish compatriots, compatriots who had struggled for many years to eradicate oppression and to achieve freedom.

Fifteen kilometers deep along the 400-kilometer frontier, which we share with that racist government, was turned into a scorched land. Our Kurdish sisters and brothers had no access to their homes nor were they safe in the mountains because the domestic thief and the friend who was a highway robber thought that they were the absolute owners of those homes and mountains.

After the victory of the revolution and the destruction of despotism and uprooting of the filthy domain of the Pahlavis, our country's old enemy changed its face and appearing in a new way with a bag full of lies and tricks, stole the confidence of the Kurds. However, the truth very soon became evident. Everyone found out that the government of Baghdad is a crafty fox which is receiving its training from the big despot and is

arousing disturbances and plotting conspiracy. The Kurdish parties and political organizations disappointed it. The common people also became aware of its tricks. Now that it does not have any authority, and no freedom-loving Kurd pays any attention to its sinister ideas, it is arming the fugitive Khans and the thieves and contrabandists, and sending them into Iranian territory so that they might fight against the newly-established Islamic Republic and weaken it. Thus, by spreading lies and opening the pockets of generosity it might once again fool some of the simple-hearted people into penetrating our privacy and doing things which do not cross our minds.

The time has come for the government of Iran to adopt a decisive and firm policy to nip any kind of plot in the bud and, by assisting its courageous Kurdish brethren across the border, to expand the struggle for freedom which is being staged against the Ba'th government to eradicate this poisonous creation of colonialism. Our Kurdish sisters and brothers across the border, together with the progressive parties and through the support of the Shi'ites in southern Iraq, some of whom are Iranians, have a substantial share in carrying out this plan. By their enlightenment, the leaders and religious authorities will be the best supporters of those fighters.

Let us hope that through their efforts we will teach this puppet government the most bitter lesson of its history.

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## WEAKNESS OF EVEN KNESSET VOTE CRITICIZED

Jerusalem HAMODI'A in Hebrew 13 Nov 79 p 2

[Editorial: "Flagrant Insult in Face of Coarse Mirth"]

[Text] Such a coalition has no right to survive, said Rabbi Shlomo Lorenz, chairman of the Agudat Yisra'el bloc, following the evenly balanced vote that was taken yesterday in the Knesset on the amendment of the abortion law. This is not a reaction of anger spoken during deep sorrow. A coalition that cannot discipline its members, so that they will vote to fulfill an obligation that it assumed when it was established, has no right to survive. Everyone knew that this subject was of vital concern to every observer of Torah and Commandments. One can only infer that those deserters who caused the amendment to be postponed had lied to themselves, and it is impossible to maintain an alliance with someone who makes fraudulent promises. But woe also to such opposition that would succeed to authority, that prefers a political stand-off that defeats the government's proposal, in order to bring the government down. The opposition's reaction of wild joy and the wild applause in the Knesset after the vote added pain to the shame that they had already cast on the Jewish people.

Perhaps this will be a disturbing comparison, but it was hard to escape the feeling that arose after the vote. Those who applauded and rejoiced at the calamity of the Jewish people, aroused in our feelings the same coarse insult that we felt a week ago when young excited Arabs danced around the dead body of a Jew who had been killed in a highway accident in Tulkarm. There is the parallel of a disgusting expression of joy in the presence of calamity. We are convinced that not only has the government suffered defeat in the Knesset, but Jewish morality has sustained a hard blow. If there is anyone who must rejoice at the results of the vote, he must be sought among the enemies of the Jewish people; but it has already been said, to add to our misfortune, that the Arabs will defeat the Jews not on the field of battle, but on the front of natural increase and population growth. No change of demagoguery, influenced by the atmosphere of lawlessness that prevails in secular society, can blur this truth. This vote contains a great indictment.

We have not even partial comfort from the evenly balanced result. The failure is the coalition's; for some of its members who participated in the coalitional agreement supported the opposition on a matter which everyone saw to be fundamental. A member of the Knesset cannot dine at two tables. To be in a coalition and yet to vote with the opposition, at a time when everyone knew that the vote was liable to decide the government's fate! To describe this as lack of responsibility is inadequate to express the seriousness of the act. The coalition cannot function like this in the future. This is not just the concern of Agudat Yisra'el, which will make its decisions and guide its future steps by the decisions of its top organizations. This is more the concern of the coalition if it really intends to complete its term of office. A coalition that does not faithfully fulfill the obligations that it assumed, truly had no right to survive, and it has to clean house.

The conclusion to be sought at this stage, which the housecleaning requires, is to make every effort, immediately and without postponement, to bring the amendment to a vote again as soon as possible. But a precondition must be to impose discipline on the Knesset members who deserted the front during a crisis and caused the government's defeat yesterday.

It is impossible to skip over the part played by the Democratic Faction, which participates only in privileges. Its representation in the government is a thoroughfare for all partisan ideas. The permissiveness that it exhibited toward the coalition derives more from weakness, or more exactly, from the fear that an injury to its dignity will cause it to be dropped from the coalition. But this time it went too far, when one of its members hurried to return to Israel in order to cast what he defined as a vote of "conscience," and another member (who is also a member of the government) was ready to come to the Knesset to vote for the preservation of human life, except that his physicians forbade him to undertake this adventure of "conscience." It seems to us that there is no precedent for a member of the government to vote against a government proposal. Reliance on the "right" of the faction to vote as it pleases in religious matters is insufficient to justify such provocative behavior. Certainly it was not proper to prevent the participation of a faction member who was ready to vote for the law. The tragic irony is that this member, who is liable to spoil everything and support the law at its first reading, is not a Jew.

It can be said that by this unfortunate vote the present government's misfortune appears in its harshest form. It would be correct to say that its supporters are harming it more than its most powerful opponents. This weakness recurs from time to time. But this time it is greater than ever. The coalition cannot function, nor can the government survive for long, under these conditions. As we have said, the results of the vote are a great indictment of the Jewish people at a time when they are in danger. The results have, just during a moment of excitement, distracted attention



from the fundamental problems, the true concerns of the Jewish people. The enemies of Israel who were then meeting in Ramallah could only laugh at the desolation of the Jewish community. Whoever is concerned about the nation's survival must do everything to straighten that which is distorted at once, and this is the government's obligation. It must gird up its loins, and prove that it is qualified to rule its own house, and not permit those who are disloyal to ridicule it and lead it by the nose.

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CSO: 4805

## PROS, CONS OF 'TAL PROGRAM' DEBATED

Tel Aviv MA'ARIV in Hebrew 3 Dec 79 p 17

[Article by Ya'akov 'Erez, military correspondent of MA'ARIV: "'Harsh Tones' in the General Staff During Confirmation of the 'Tal Program'"]

[Text] "The picture of the situation" in IDF at the end of 1979 was what spurred those responsible for the Defense system to put part of the "Tal Program" into effect. They had in mind not only the reasons cited by Defense Minister Ezer Weitzman at the end of last week: The peace with Egypt, and the start of Chief of Staff Rafa'el Eitan's second year of his tenure of office. The basic reason for the IDF reorganization is the necessity to change the structure of the armed forces to meet the 1980's: In expanded scope, budgetary compulsions, the manpower distress, the system of menaces that was fixed in the "appraisal of the situation." This data requires anyone who does not want to freeze the present situation to take the initiative for reorganization.

Since according to all appraisals a war in the future will be decided on land, the power of the ground forces must predominate from the standpoint of quality, quantity, and mutual interactions. Naturally the difference in the application of the part of the comprehensive program that Brigadier General Israel Tal put on the Defense Minister's desk in December 1977 has become the center of attention.

## Questions and Answers

These reasons indicate the following: There is no special significant weight to the opinion that through this program Weitzman seeks to place his own stamp on the IDF; or to the speculations that the program is being put into effect in order to bring General Tal back to the IDF, and set him up as the most serious candidate for the office of chief of staff after Major General Eitan; or that Tal was brought in only in order to appease the senior command levels in the army. It can be established that the central reason for putting the program into effect comes from the existing situation, which generated the necessity for reorganization. In the opinion of experts, this reorganization could not be evaded.

in the IDF senior command levels, which includes some of those who say the program needs to be put into effect, there is criticism of the way things were done. Major General Eitan did not seem very happy at the press conference at the end of last week, where everyone offered congratulations on what had been accomplished. "Rafa'el" emphasized the unachieved parts of the original Tal program more than what had been achieved. The chief of staff did not publicly mention the disagreements within the top echelons of the IDF on this matter. This controversy has so far received almost no mention in public.

It is true that from the standpoint of public relations the defense minister and especially General Tal amassed abundant praise. But in the offices and corridors of the general staff, they are talking of the closing session that was held last Thursday, and they still recall the harsh tones expressed by some of the senior Generals. At that supposedly "closing" session (for matters had been "closed" before the discussion) doubts arose as to whether the program could be put into effect, and whether General Tal could be enlisted to set up the new headquarters. These doubts led to the opinion that we published on the day of the discussion, namely, that for a time it appeared that General Tal could not be enlisted...in IDF they are talking about the way in which the decision was received.

Among the members of the present general staff and among military experts who previously served at high levels, there are some who do not accept the "picture of the situation" that makes change necessary. Numerous arguments were raised against the program, and those in favor had answers for every argument.

#### Integration of Forces Factors

"The first question focuses on General Tal's personality. He is the one who inculcated IDF with the concept of emphasizing the decisive superiority of the tank, which led to the isolation of the tanks in the Yom Kippur war," says a military expert who opposes the "Tal program."

The answer of the proponents is that the post-Yom Kippur war analyses proved that the central IDF concepts were correct and well-founded. They are referring to the composition of forces and to the factors that were emphasized. General Tal is seeking to integrate the various forces in a land battle, as is pointed out by one of his close associates who will set up and command the new headquarters. This man adds: It was necessary to enlist Tal into the IDF so that the establishment of new headquarters could be assigned to an expert of high repute, and so that someone who was interested in the success of the new headquarters could push the matter forward within a short time.

A second argument that the opponents of the program bring up is: "Who will train the combat divisions of the IDF--the headquarters that will activate and train the divisions for the responsibilities of the territorial commands, and what will happen to the other forces that are not included in the system of field forces headquarters?"

## The Installation in the South

The answer is as follows: The training will be assigned to a specialist headquarters, namely, the field forces headquarters. This training will be based on a background of the operational programs in IDF, just like every training of a super-formational system. The specialist headquarters will be responsible for an integrated training. For example: it will be just like the training programs that are now being implemented in the central training installation in the south, where armor, infantry, artillery, and engineering units are being trained. This installation is proof that centralized training can be implemented for four ground corps under one headquarters.

"And what will happen to the new headquarters in time of war?" The question refers, among other things, to the waste of resources that is involved in setting up a headquarters that will train troops only during peace time, while when war comes the forces would be transferred to the territorial commands.

"This headquarters would be slotted into the combat alignment of IDF, as for example the armored troop headquarters," says a senior policy maker of the defense system.

## A Matter of Tradition

Many speak of the friction to be expected between a headquarters that concentrates in its own hands the authority over the largest force of IDF--namely, the ground force--and the command generals who are assigned to those forces during war time. "This is a matter of tradition, and sometime these struggles contribute to the subject. In this way there are no unanimous conclusions, and the conflicts are beneficial say those in favor. In any case, no military experts are counting out the possibility that such a situation could be created, and apparently this fact moved the minister of defense to say: "There will be waves, and whoever doesn't know how to swim will drown."

The opponents add: The new headquarters will be a barrier between the chief of staff and the field forces.

The proponents retort: There will be no such barrier, just as the armor mobilization headquarters is not a barrier between the chief of staff and the groups.

## The First Stage

The opponents of the Tal program claim that the training of field combat forces is different. "Training an engineer is not like training a paratrooper or a man in an armored unit." And they add: "If the integrated headquarters sets up identical training programs, it will harm the soldier's unit. If it sets up different training programs--who needs them?"

The proponents answer: The general staff cannot today fix and freeze ground combat. The general staff is an inter-force staff. The new headquarters

will push the general staff to allocate additional resources to the field forces. The headquarters will "guard the interests" of these forces so that there will be a balance with the air force or the navy. This headquarters will "compel" the general staff to subordinate the other basic branches of service to the ground forces, because the latter will decide future battles.

These are the things being said on the two "sides of the barricade." It cannot be concealed that the last decision produced dispute within the IDF. These matters are not in the category of "revealed on Mount Sinai;" there are proponents and opponents. And meantime General Israel Tal's staff work begins, to set up and head the new headquarters. And the faithful disciples of the newly returned officers say that only the first stage of the program--setting up the ground forces headquarters--has begun, and that additional stages, such as abolition of the IDF training division, and other changes, will occur in the future.

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CSO: 4805



# EDITORIAL VIEWS JEWISH CONVERSION ISSUE

Tel Aviv HAZOFEN in Hebrew 30 Nov 79 p 2

[Editorial: "A Battle Over Fundamentals"]

[Text] The deliberation in the Knesset committee on constitution, law, and justice on the proposal to amend the law of return so that a Jewish convert will be anyone who was converted according to Halakha, is to be explained from its beginning and in its continuation according to the subject matter itself, the range of its supporters, and the quality of its opponents.

The subject itself, defined as "Who Is a Jew?" has been deliberated many times; in its first stage it caused a crisis in the government and a referendum among Jewish scholars. After considerable discussion the law was modified to state: "A Jew is one who was born to a Jewish mother, or who was converted and is not an adherent of another religion."

At the next stage there is a demand by religious Jewry to add one significant word: converted according to Halakha. The first rabbinical council said in its resolution of Sivan 5730 (May-June 1970): "Any conversion in or outside Israel that is not performed according to the Halakha established that has endured since the revelation on Mount Sinai is not a conversion. Halakhic conversion for a man consists of three Halakhic fundamentals, acceptance of the obligation to perform the commandments, circumcision, and baptism; for a woman, the obligation to perform the commandments, and baptism. All this must take place before a court of three qualified judges."

This decree negates Reform conversion, according to which the converts and their conversion lack Halakhic validity. When halakhic scholars bring a non-Jew into the covenant of Abraham our father, he becomes a Jew in religion and ethnically; this is Halakhic conversion. Whereas a conversion by Reform rabbis, many of whom explicitly permit mixed marriage, is limited to membership in a Reform congregation and its temple, without circumcision or baptism. Experience proves that the homes and children of Halakhic converts are Jewish, whereas the homes and the children of Reform converts are Gentile. This mixture, in Reform camouflage, hastens the assimilation of Jews among the Gentiles.

During the clarification before the committee, in which the religious representative argued the need to emphasize "according to Halakha" in conversion, there appeared a representative of Reform, who admitted that mixed marriages were being performed by certain Reform rabbis, whose conversion ceremonies lacked circumcision and baptism. He charged, as usual, that by annulling conversion by Reform and some Conservatives, the state of Israel would alienate a majority of American Jews, because the Orthodox are but a minority of American Jewry. This charge deserves to be examined.

First of all, the division between Reform and Conservative as against an Orthodox minority is not exact. In any case, it is reasonable to say that most of the Jews observe fundamentals such as circumcision, and deny conversion without it. But Jewish identity and the preservation of the Jewish people are not matters to be decided democratically by a majority vote, but according to Halakhic definitions. Jewish conversion is that which is according to Jewish law. A Reform conversion, which is only an oral declaration, attaches Gentiles to the Jewish people and results in all kinds of confusion, a split among Jews, and an easier transition to apostasy. The Jewish diaspora is struggling for its existence in the face of waves of assimilation and mixed marriage; in many countries they are being threatened with disaster. Reform, as is its custom, accommodates its rituals to this phenomenon. Reform rabbis participate jointly with priests in mixed-marriage ceremonies between those who were Jews by birth and non-Jews. Among the Conservatives, some take pains to maintain the separation from non-Jews, others follow the Reform Jews. They are not satisfied with their alien rituals in the Jewish communities outside Israel, the rabbis also want to be recognized as legitimate rabbis equal in status to those of the state of Israel. At the last Zionist congress it was decided by a majority vote to confer equal rights on the rabbis of the three movements, orthodox, Conservative, and Reform. So far the small number of Reform and Conservative in Israel has prevented any significant pressure to have the rabbis recognized as legitimate rabbis (rabbanim) and judges for all matters, including marriage. But the demand is there, and it is accompanied by threats. They vigorously oppose the addition of "Halakhic conversion" to the law, and they are aided by the anti-religious struggle among the leaders of the leftist factions in the Kneset, and among the Bohemian world of artists and writers. Extreme secular newspapers are also supporting them.

Our struggle will face the opposition of the Reform-secular partnership, which envies the Halakhic position of the Rabbinate and the Rabbinic courts in Israel, whose contribution to the unity and the unification of the people in matters of marriage has been incomparable. Hence also, their organization against the statement of Halakhic conversion in the law. Like all the Gentiles their objective is to harm the state of Israel. But the organized religious community, whose fundamental principle is the unity of the Torah, and thereby the unity of the people and the land, will continue its battle with propaganda and influence, with organization and communal activity, until the concept of Jewish conversion will be premanently established.

Bringing up the subject of "Who is a Jew?" on the agenda was received by one newspaper with the following rash criticism: "The state is definitely not stable enough." We live in a region seized by the flame of an Islamic conflagration that threatens Western civilization and its ways of life; and we are situated within a complex of difficult political, Halakhic, and security problems. Is now indeed the time to drag out the "Who is a Jew?" proposal and to again involve public opinion in it at home and abroad? What a naive attitude.

On the contrary. Precisely because of Jewish compromises we must deal with the alinement of basic values during times of distress at home and abroad. There is almost no tranquillity at all in the region or within the country. The ultimate goal of all our daily problems is to maintain the state, and to a large extent, the Jewish people. The law of Halakhic conversion is not just a religious law, without urgency, but it comes to check the conflagration of assimilation and mixed marriage that is making a name for itself in Jewish communities outside Israel. If the Reform and the Conservatives were concerned with the very maintenance of the entire Jewish people and not with their unions and their temples, they would cancel their artificial conversions, and join those who keep the Torah and Commandments, because cultivating Jewish unity in matrimonial affairs is no barrier against assimilation with the Gentiles.

Another newspaper adopts a warning tone: "The practical and political damage of this legal proposal is so great and so substantial that it is hard to understand how NRP is incapable of feeling it." The damage, says the writer, is an injury to most of the non-Orthodox Jewish communities, who are always complaining about the legalized discrimination in the state of Israel. It should be pointed out again that the majority of Jewish communities abroad, which recognize action against assimilation, the building of Jewish schools, and providing improved religious services, also distinguish between Halakhic conversion, which impedes assimilation, and Reform conversion which is a bridge to assimilation. Certainly we should discuss the conversion problem with responsible persons among the Conservative and the Reform; it is intended to impede the flood of mixed marriages that are legitimized only by means of a formal conversion. Here and there among the Reform, and how much more among the Conservative, are opponents of non-Halakhic conversion. But it is impossible not to prevent the light minded behavior of the Reform rabbis toward conversion at least in Israel; perhaps this will have some effect on some of the congregations abroad.

One camp that is fighting against assimilation abroad is the camp of the Shomrei Mitzvot. In the Orthodox communities there is a threat against Jewish existence. Even in Israel there is need to struggle for the Jewish image of the state. Not a little has been achieved. But the way to the objective is still long. It is no accident that the generation of the Sons of the Torah and the Shomrei Mitzvot (Keepers of the Commandments) has become the pioneer in achieving Zionism in its deepest sense, Jewish

settlement in all parts of the land of Israel. The secular parties that broke away from Judaism in ideas and customs, are steadily losing Zionist values and deeds.

The means for converting the state of the Jews into a Jewish state are educational and communal. They include the agreement of the religious branches during the establishment of the coalition. The agreement includes a Sabbath observance law; a law against fraud in observance of dietary laws; amendment of the anatomy-pathology law to require consent of relatives for dissection of dead bodies; reform of the abortion law; and reform of the law of return as a supplement to the Halakhic conversion. After 2 1/2 years of coalition rule the time has come to implement the coalition agreement. Abortion reform did not pass the first vote, and it is now being readied for a second try. This is a test of trustworthiness in the maintenance of the agreement. The Center of the Liberal Party has indeed decided, by a majority vote to support the reform. The MK of this party have themselves decided to remain part of the agreement that makes possible the orderly continuation of the coalition.

As for "Who is a Jew?" a majority has been promised for its passage. The organized national-religious community, a large part of which strongly supports colonization in Judea and Samaria, sees it as part of a battle for a state of Israel founded on Torah, Israel, and the land of Israel. The subject of "Who is a Jew?" is a stage in the achievement of this objective.

This is a most vital battle of values; only a national religious movement that is faithful to itself can wage it properly in thought and deed.

9045

CSO: 4805

# NUMBER OF PEOPLE SEEKING RETRAINING FOR PRACTICAL VOCATIONS INCREASES

Tel Aviv MA'ARIV in Hebrew 3 Dec 79 p 19

[Article by Ysha'yahu Avi'am]

[Text] The economic measures taken by Yigal Hurwitz, the new minister of finance, have caused feelings of unrest in the economy, not only in industry but also in various service occupations, particularly in state and communal services.

The Department of Vocational Training and Manpower Development in the Ministry of Labor and Social Betterment is organized to receive adults for vocational education and retraining and in order to meet possible intensification of the slowdown in the economy.

"There are already signs of slowdown in the economy, and we have felt them ever since the start of the new academic year in September. The situation has found expression in the large number of those turning to vocational education," says Dr Daniel Milin, head of the department.

Today, over the whole country, 7,000 to 8,000 adults are taking the daytime courses of the department of adult training, and the occupancy rate is up to 70 percent. According to Dr Milin, about 90 percent of all adult students are getting professional training from the department, and 600 to 800 more are studying with other agencies such as Ort or Amal.

In addition to the daytime courses, the department maintains a program of advanced studies and professional training in Arabic studies at four centers (Jerusalem, Tel Aviv, Haifa, and Beersheva), with the aid of Ort, Amal, and various Workers' Councils throughout the country. There are about 14,000 advanced students in the Arabic courses.

The department also takes care of study programs and finances the training of young people who are learning a trade, by means of networks of vocational schools; there are about 20,000 of these students. According to Dr Milin, the department is especially active in training of technicians and engineers (about 12,000 this year), with the aid of the technical institutes of Beersheva University, the University of Tel Aviv, the Haifa Technion, the Ort network, and others.



The department also takes care of the vocational retraining of new immigrants; there are now about 3,000 immigrants in a retraining program for school teachers, and another 500 teachers and instructors are training for teaching at an academic-technical level.

The department is divided into four centers, which are in the four big cities. The state institute for technological training is responsible for technicians and engineers, and another unit deals with occupational retraining of new immigrants.

#### One Billion IL

The department employs about 650-700 workers in the occupational training centers; this number includes the administrative employees and the instructors. To these must be added another 2,000 workers who run the Ort, Amal, Torah-and Work, and Working Youth networks.

The departmental budget, which will reach 1 billion IL this year, includes the state allocations (IL 210 million to the Amal network, and IL 185 million to the Ort network) to all those bodies that maintain vocational schools for young people or adults.

"The citizen who is interested in learning a new trade or is seeking vocational retraining, can be accepted at one of the of the department's vocational training centers, and become expert in one of ten trades: metalwork, construction, electronics, electricity, textiles, computers, and secretarial skills, and attain a vocational skill, or a technician's or engineer's degree," says Dr Milin.

For technicians and engineers, the tuition in these schools is about half of what is customary in the universities. Needy students receive scholarships, and day students receive loans--in accordance with the priorities and the demand of the economy.

In the opinion of the head of the department, the department is organized to meet the possibility that many workers will be discharged by the service industries and will have to change vocations. He says that the experience in vocational retraining accumulated by the department--mainly with immigrants, most of whom had academic training--is encouraging; more than 80 percent of the immigrants who undertook vocational retraining are earning their livelihood with the skills that they learned in the retraining program.

Nevertheless Dr Milin admits that most of the immigrants who undertook vocational retraining were trained for service trades, not for manufacturing.

#### One Hundred Twenty Applications

He points out that with the slowdown in the economy in recent months, and particularly in view of the fact almost no new workers are being hired by

state offices or public services, the number of those applying for retraining for manufacturing skills has increased. At present the number is still small. Most of the applications are for metal working, carpentry, and technical and engineering skills for manufacturing.

There is already an awareness of the matter. The department's call to workers who were interested in learning a manufacturing skill, or who wanted vocational retraining, brought within 2 days 120 applications from people who wanted to know more details. Most of the applicants were in the service trades, who wanted information on the trades now in demand in the economy, and how they could be absorbed at places of work.

Dr Milin says that is possible, without much effort, to absorb many more hundreds of adults in the daytime classes at the four departmental centers. The centers are already prepared to operate a second shift of classes when it will be needed, which will handle 3,000 to 4,000 persons. This depends, of course, on budgetary approval and additional manpower; but the department heads are not afraid of budget problems: the money in the Unemployment Fund will be devoted to vocational training and retraining.

"In each of the four regions an emergency staff has been set up to deal with unemployment and vocational retraining; it is headed by the center manager, and it includes the manager of the engineering school, the manager of the training center, and a representative of the employment service. The staff will receive information on the number of unemployed, from what places of work they were discharged, the number seeking retraining, places where they might be absorbed, lists of the courses needed, and the duration and location of the courses," says Dr Milin. The vocational training networks of Amal, Ort, Torah-and-Work, and Working Youth will also be utilized as needed, he says.

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CSO: 4805

# STATE OF CURRENT FISCAL POLICY DISCUSSED

Kuwait AL-SIYASAH ECONOMIC SUPPLEMENT in Arabic 2 Dec 79 pp 30-31

[Article by Husam Mansur, Official of Economic Research Department of Ministry of Finance; "Monetary Conditions in Current Market in Past 3 Years"]

[Text] In 1978 and the first quarter of 1979, the money supply increased by nine percent whereas the monetary base which should, under normal conditions, be the main factor determining the money supply decreased by 41 percent. The weak relationship in this case between the monetary base and the money supply is the result of the Central Bank's weak control over the money supply, as we will demonstrate in the course of this analysis. With the country's adoption of the free movement of capital, the local interest rates were affected very strongly by the interest rate prices prevailing abroad and it became evident that the losses expected as a result of the fluctuation of the foreign currency exchange rates would be less than the difference between the local and foreign interest rates. This led to the exodus of capital--a fact reflected in the drop in foreign assets which constitute seven percent of the sources of the monetary base. The drop indicates that the public sector transferred local assets into funds deposited abroad. Moreover, the high demand for local loans, a sector in which the loans advanced to the private capital rose by 44 percent, and the increasing dinar bond issues in the local market for local and foreign companies has led to a considerable rise in the local interest rates. This is something of which some circles have begun to complain.

In the aforementioned period, borrowing by the banks from the Central Bank increased when the banks rediscounted the securities at their disposal to raise their liquidity and their reserves from 20.7 millions [presumably meaning million Kuwaiti dinars] at the end of 1977 to 65.1 millions at the end of the first quarter of the current year.

In this study, we will review the fiscal policy and its role from the scientific [sic] angle under part (B) and will then proceed to discuss in part (C) the fiscal policy in Kuwait, demonstrating the way it works. We will then point out, in the light of some developments, the more beneficial courses that should be followed in managing the future monetary policy.

In section (D), we will review the development in money supply and the factors directly influencing it and will cite a new definition of money which we believe to be more indicative than the current definition. In section (E), we will discuss the interest rates and the domestic and foreign factors influencing it. We will show in this regard that these rates cannot be lowered, considering that the country adopts the system of the free movement of capital--a system which, we believe, must continue. In section (E), we will also deal with the question of the rediscount rate and will demonstrate that use of the rediscount window [facility] is a privilege given the commercial banks and not a right to which they are entitled.

#### B. Fiscal Policy:

The fiscal policy that the Central Bank should normally adhere to is the policy of full control of the money supply through control of the banks' reserves, or the monetary base--a control that lets the money supply grow at a rate similar to the growth of the demand and as a result of the growth in income and production in the long run. This control also lets the bank speed up the increase in money supply in the case of [economic] recession and reduce the growth rate in the case of increased economic activity and widespread speculation in order to curtail inflation.

Allowing the money supply to increase in this manner will lead to stabilizing prices and preventing inflation, except for the imported inflation caused by the increased prices of imports and this is something that the monetary authorities cannot deal with and that is beyond their control generally.

These facts require the monetary authorities to control the money supply instead of controlling the interest rate because the real interest rate, or the balanced rate, is not easy to know. Any mistake in determining this price--as when, for example, it is set below the balanced rate--will lead to an unlimited increase in the money supply because the Central Bank will be compelled to discount an ever-increasing volume of securities and this will lead to a constant increase in the banks' reserves, the monetary base and the money supply as long as the difference between the two rates [rate set by Central Bank and balanced rate] continues. In case the interest rate is set higher than the balanced rate through raising the cost of the rediscount rate, the interest rates in the market will rise, thus increasing the demand for bonds and securities. This will lead to a drop in the banks' reserves, in the monetary base and in the money supply directly and indirectly as a result of the drop in the banks' reserves.

In both cases, the initiative in changing the banks' reserves, the monetary base and the money supply is left to the commercial banks and not in the hands of the Central Bank. Meanwhile, when the Central Bank controls the direction in which it wants to lead the money supply and bank liquidity, then it should not resort to fixed interest rates but must try to achieve its goal concerning the money supply without any consideration for the interest rate which tends to stabilize close to the real interest rate in the economy and which is determined by the production opportunities available for the capital and by stability in the price levels.

### C. Current Fiscal Policy in Kuwait:

The policy followed currently is summed up in letting the money demand determine the money supply--a situation which abolishes any role for a real monetary policy in this regard because the money supply will rise when the demand for money rises as a result of increased economic activity, thus leading to the increased effectiveness of the factors leading to inflation, and this supply will drop when the demand for money drops because of a drop in the economic activity, thus leading to recession. In an ideal situation, the conditions should be the opposite. The money supply should be equal to the production rate growth in the long run. The growth of this supply should accelerate in cases of recession and should slow down in cases of increased speculative economic activity so as to curtail inflation.

We do not mean to say that all the aforementioned measures by the Central Bank were subject to the money demand. The Bank was ready to invigorate the economy by having the government deposit more of its assets in the commercial banks, through coordination with the Central Bank itself, so as to raise the banks' reserves in the cases of recession and when there was increased complaint of the bad conditions. The Bank also adopted in 1977 measures to suppress the inflationary spurt and to root out speculation.

However, these measures continue to be inadequate due to the inadequacy of the instruments available to the Central Bank to manage the banks' reserves and to strengthen the link between the monetary base and the money supply. Because the commercial banks are not required to deposit a certain percentage of the individual monies and assets they hold as a legal reserve in the Central Bank, this Bank lacks the instrument necessary to enable it to control the money supply. It is true that the Central Bank has the power to demand that the commercial banks maintain a certain percentage of their liquid assets is to make sure of the ability of the banks to reimburse the individual assets they hold and not to control the money supply. The legal reserve is the only means to control the money supply.

There will be no harm if the Central Bank pays an interest equal to the interest paid by the commercial banks for the savings accounts, if the state wishes the commercial banks to continue their production according to the prevalent low costs. We should keep in mind, however, that these banks get revenues and benefits by increasing the annual money supply on their own. These revenues and benefits belong by rights to the state which has the sovereignty to create the currency and money generally. However, because the money reserves have consisted and continue to consist of gold, foreign assets and, recently, securities, the benefit accruing from the increased money supply is acquired by the commercial banks only. Therefore, requiring the commercial banks to deposit in the Central Bank a legal reserve in the form of assets earning no interest or a symbolic interest is compatible with the principles of justice and of equality for all the establishments in operation, considering that the banking establishments are acquiring benefits to which the state is usually entitled. This is not our purpose. Our purpose is to say that the monetary authorities cannot control the



money supply unless they require a legal reserve. The higher the percentage of the assets required as a legal reserve, the stronger will be the ability of the Central Bank to control the money supply.

There is no need to adjust the reserve percentage from time to time. A fixed percentage should be sufficient. The Central Bank can adjust the volume of the reserves available to the commercial markets by purchasing and selling securities and shares circulated in the market, an activity in which the currency law permits the Central Bank to engage. This is because raising and reducing the reserves occurs intermittently and in an uncoordinated manner, thus affecting the operations of the banks--especially the banks that do not have a reserve exceeding the legal limit. For example, if the deposits available to the commercial banks amount to 100 millions and the reserve is 10 percent (i.e., 10 millions), then raising the reserve by one percent of the deposits leads to raising it by one million or 10 percent of the reserve volume. This is a big increase.

To demonstrate the degree of the monetary authorities' control of the money supply at present, we must examine the reserve change, the change in the monetary base and the direction of the change in the money supply and in the on-demand deposits belonging to the public and constituting a part of the money supply.

By examining chart No 6 [no chart given], it becomes obvious that throughout 17 years, the direction of the money supply has been parallel to the direction of the reserve available to the banks in 11 years and going in the opposite direction of the reserves in 6 years. The same applies to the on-demand deposits which have taken a direction parallel to that of the reserves throughout 11 years and an opposed direction throughout 6 years. There have also been some years when the direction of the money supply was parallel to that of the reserves whereas the on-demand deposits took an opposite direction.

As for the monetary base throughout 17 years, its direction has been parallel to that of the money supply 13 times and opposed to it 4 times.

In a previous study, we demonstrated that the money supply is equal to the monetary base multiplied by the currency multiple [muda'af al-naqd] (3). Assuming that the currency multiple is constant, then it becomes possible to determine the money supply by influencing the monetary base. But it is obvious from chart No 5 [no chart given] that the currency multiple changes, most frequently as a result of the change in the reserve percentage compared to the total assets deposited with the commercial banks. In 1977, the currency multiple dropped from 1.76 to 1.137 because of the increase in the reserve (R) percentage from 7.5 percent to 17 percent, the increase in the government assets deposited in the commercial banks, as compared to the on-demand deposits, (C) from 27 to 34 percent and the drop of the currency percentage in the money supply (K) from 44 percent to 41.9 percent. In 1978, the currency multiple rose from 1.137 to 1.878 as a result of the drop in the percentage of the government deposits (C) from 34 percent to 23.5 percent and the drop in (K) from 44 percent to 41.9 percent.

It is evident from this analysis that the percentage that varies greatly and affects the currency multiple is the reserve percentage because this percentage is determined outside the authority of the Central Bank whereas the Bank can exercise some kind of control over (C). Perhaps this percentage was the only thing available as an instrument to manage the country's fiscal policy, considering that (K) is outside the jurisdiction of the monetary authorities and depends on the behavior of individuals in the society. It is obvious that this percentage did not undergo a big change. It does usually change slowly with time. With economic and banking development in the country, this (K) percentage tends to decrease but in the cases of political and security instability and in cases of uncertainty over the soundness of the banking conditions, the (K) percentage tends to rise sharply.

#### D. Development of Money Supply and Factors Influencing It Directly:

In the period from the end of the first quarter of 1978 to the end of the first quarter of 1979, the money supply increased by nine percent. This is a small increase when compared to the increases occurring in the few preceding years. In the period between 1973 and 1977, the increases ranged from 45 to 14 percent annually. At the same time, the net foreign assets belonging to the monetary sector as a whole dropped by 3.1 percent, as demonstrated by chart No 1 [no chart] of the unified budget of the monetary sector, compared to a change in the 1973-77 period ranging from 7.6-35.6 percent annually. Even though the drop in the foreign assets has a negative effect on the money supply, the other loans and assets increased by 44.1 percent and 77 percent successively, compared to an increase of nearly 25 percent in the assets belonging to the monetary sector in the year ending in the first quarter of 1979. The non-monetary discounts and the capital rose by 28.7 percent. Within this framework, the set-term savings accounts rose by 23 percent. The savings accounts should be actually included with the money supply in Kuwait because they are a complete substitute for the on-demand savings, considering that the banks transform these savings into on-demand savings automatically. This requires that the currency present outside the banks, the on-demand savings and the set-term savings accounts be included with the country's money supply as long as the liquidity of the on-demand savings is equal to the liquidity of the set-term savings insofar as the individuals are concerned.

As for the other items included in the monetary sector's unified budget, the government deposits have risen by 2.8 percent and the other discounts by 50 percent.

#### E. Development of Interest Rates

The local interest rates have risen as a result of the increased demand for loans, as indicated by the statistics. The loans and credit facilities advanced by the commercial banks have increased by 39 percent, as indicated by the unified budget of the commercial banks. The bond issues [shares] offered in Kuwaiti dinars, both the shares of local establishments and foreign establishments, have also risen to an unprecedented level. The

volume of the shares issued amounted to 39 millions in the first quarter of this year and to 151 millions in 1978. The shares dropped to only 22 millions in 1977 from 73 millions in 1976.

As a result of the measures of the monetary policy and the exchange rate policy adopted by the United States in an attempt to stabilize the dollar price internationally and to reduce the inflation at home, the interest rates for foreign currencies, especially the dollar and the pound sterling, rose. With the expectation that the prices of these two currencies would stabilize in comparison to the other currencies, capital began to move outside the country to take advantage of the interest rate differences that are not expected to be equalled by differences in the exchange rates in the future. The conversion of [Kuwaiti] dinars into foreign currencies results in three things:

A. The country's official reserves drop because the foreign currencies get to be controlled by the private sector.

B. The money supply drops initially.

C. The reserves of the commercial banks and the monetary base are reduced. With the drop in their reserves, the banks began to feel the squeeze of the lack of liquidity and were forced to curtail the expansion in giving loans and to increase the deposits they had by a large degree. But at the beginning of 1978, the banks had good liquidity and their reserves amounted to nearly 17 percent of the total assets they were holding for the other sectors. By the end of 1977, the monetary base also got close to the volume of the money supply. But with the increased transfer of money to the outside world at the end of the first quarter of 1978, the monetary base began to shrink, as demonstrated by chart No 4 [no chart], and the reserves of the banks also dropped, reaching 2.9 percent of the total assets--chart No 5 [no chart].

As for the commercial banks, their net foreign assets dropped from 612.9 million Kuwaiti dinars at the end of 1978 to 600.9 millions by the end of March 1979. At the end of the first quarter of 1978, the net foreign assets of these banks amounted to 457.9 million dinars. This means that the total increase during the year ending with the first quarter of this year amounted to nearly 143 million Kuwaiti dinars.

The question that should be asked here is: How could the presence of a legal reserve have changed the situation that developed?

Our answer in this regard is that the presence of a legal reserve would have helped to draw attention as of the time the decrease started at the end of the second quarter of 1978 and the matter would not have been left for the newspapers to deal with it in their own way.

Generally, the monetary authorities cannot curtail the increase in the local interest rates as long as they implement article 13 of the law governing

the Central Bank and regulating the banking profession--an article which stipulates that the Central Bank's tasks include guaranteeing the stability of the Kuwaiti currency and the freedom to convert it into foreign currencies. Had the monetary authorities tried to curtail the increase in the interest rates, their efforts would have led to the exodus of larger amount of money seeking to benefit from the high profit opportunities abroad.

#### Re-discount Price

The Central Bank's discount window gives the commercial banks a privilege and enables them to discount the securities that they possess in the Central Bank and acquire money from it as the final lender--i.e., the final source to which the banks can resort in case they are compelled to bolster their liquidity. Therefore, the use of this source is essentially a privilege and not a right. It is natural that the re-discount rate would be subject to the market's interest rate. Otherwise, the banks would use this window to lend at high interest rates and borrow at low rates, feeling that an inexhaustible source is available. This leads to an unlimited increase in the money supply causing inflation and turning the Central Bank into an agency subsidizing the commercial banks, exactly as the state subsidizes the industry, agriculture and food supply sectors. We wonder: Is this what those who censure the Central Bank for raising its re-discount rate want?

The science of economics is the science of choosing the fittest. The fittest is, often, not the most advantageous but the least harmful.

If we want Kuwait to be a first class monetary market, this does not mean that matters should be allowed to go unchecked because there is a public interest summed up in maintaining stable monetary conditions so as to bolster the development and growth of the economy and not to transform these conditions into a means for creating confusion in the economy. The domestic interest rates are affected by the foreign interest rates as long as the country adopts the freedom of the movement of capital (a freedom necessary for the creation and prosperity of the local financial market and for its transformation into an international market). The fact that the local interest rate is affected by the foreign interest rates is the result of the law of the balance of liquids in communicating vessels. The two rates cannot but tend to be balanced as long as the liquidity moves freely from home to the outside world and vice versa.

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NATIONAL BUDGET FOR 1979-80 DETAILED BY MINISTER OF FINANCE

Kuwait AL-SIYASAH ECONOMIC SUPPLEMENT in Arabic 2 Dec 79 pp 44-45

[Article: "Spotlights on General Budget of State of Kuwait for Fiscal Year 1979-80; 96.3 Percent of Total Revenues Represented by Oil Revenues; 1.705 Billion Dinars for Ordinary Expenditures and 5.45 Billions for Construction Projects and Expropriations"]

[Text] The minister of finance talked about the 1979-80 general state budget through the statement he made on the occasion of the promulgation of the decree pertaining to the budget of the government ministries and administrations for the current year. The minister pointed out that Kuwait, like most of the oil countries, relies on oil as a fundamental important and direct source of the revenues of the budget of the government ministries and administrations and as an indirect mover of the activities of the various economic sectors. This situation will continue for a period of time until a basic and structural change occurs in the economic structure to reduce the dependence on a single source of revenues.

In its endeavor to reach this goal, Kuwait has followed in the past 10 years the course of developing the financial management. The accomplishments made by this development generally until the preparation of the plans of the fiscal year 1979-80 can be summed up briefly as follows:

A. Considering that public expenditures are the government's means of securing the economic mainstays for the present generation and the future generations and considering that these expenditures are an economic process that links the burden that we carry with the benefit and advantage that we acquire, steps have been taken as of the past fiscal year to employ the means of economic logic to realize a balance between the burdens and the benefits in the state's spending policy.

B. The endeavors to curb the increase in public expenditures, even though this increase is a phenomenon prevalent in almost all countries of the world in this age. This phenomenon is due to numerous domestic and international causes. In estimating the expenditure total, consideration has been given to achieving a real saturation in the public services and a real production of public commodities.



C. The new budget attests to the continued development of the first step of the "programs budget" which outline the costs and goals of every program, thus making clear the implementation priority and importance of each program to the national economy.

D. The Ministry of Finance stresses that the government ministries and administrations must study their programs and projects within the framework of well-studied and clearly-defined expectations regarding the requirements of the last and next 3 years [the last 3 years and the next 3 years], beginning with fiscal year 1978-79 which has been considered the first of these years. This step represents the beginning for drawing up a comprehensive medium-range plan.

E. The Ministry of Finance works in cooperation with the Ministry of Planning to point out--in addition to determining the priorities--the impact of each construction project on the total picture of the economic and social development. The ministry also formulates the necessary systems and methods so that the role of the authorities concerned with planning and financial affairs may not continue to be confined to the distribution of figures for the construction projects but may include a periodic financial and specific followup of the implementation on the spot.

F. Considering that economic and financial decisions require the acquisition of the most comprehensive and accurate data on the public budgets and government accounts at the right time, the Ministry of Finance began to use electronic computers for this purpose gradually and in stages, starting with fiscal year 1978-79.

After this quick preamble, we will move to the figures of the new budget:

#### Revenues:

The revenues expected to be collected in the 1979-80 fiscal year for the budget of the government ministries and administrations are estimated at 3,241,300,000 dinars, compared to 2,301,700,000 dinars in the preceding fiscal year, i.e., with an increase of 40.8 percent. It is to be noted that the contribution of the oil revenues has increased to represent 96.3 percent of the total revenues, compared to 95 percent in the revenues of the preceding fiscal year.

It is estimated that the sums that will be collected from the sale of crude oil will amount to 2,604,500,000 dinars, from gas sales 69 million dinars, from the sale of oil derivatives 347.4 million dinars and from income taxes on the oil companies 74.2 million dinars. The concessions fees expected to be collected from the oil companies are estimated at 25.3 million dinars.

The non-oil revenues have been estimated at 120.8 million dinars, with an increase of 5.8 million dinars over the estimates for the preceding fiscal year. These revenues include the income taxes from the non-oil companies, customs taxes and fees, property transfer fees, registration fees and

various other fees, in addition to the ordinary revenues. It is to be noted that all these items have increased. However, an apparent drop has been noticed in the revenues of the transport and communication services because of the separation of the Ports Authority and its transformation into a public establishment as of the budget of the preceding fiscal year. This has also resulted in a drop in the taxes and fees on international trade and transactions, especially in customs fees.

The government policy has had its impact on the estimates of the total expenditure and appropriation figures, considering that a sum of 2.25 billion dinars, representing 69.4 percent of the total revenue estimates, have been allocated for the ordinary and construction project expenditures of the government ministries and administrations, compared to 1,941,100,000 dinars, representing 84.3 percent of the total revenue estimated in the preceding fiscal year.

In implementation of the decree by law issued in 1976 to establish the reserve for future generations, a sum of 324.1 million dinars, compared to 230.1 million dinars for the preceding fiscal year, i.e., with an increase of 94 million dinars, has been allocated for this purpose. A sum of 50 million dinars has also been allocated to increase the capital of the Kuwaiti Fund for Arab Development. Meanwhile, a sum of 617.2 million dinars will be added to the general reserve funds, compared to 80.6 million dinars only for the preceding fiscal year.

It is worth noting that to unify the comparison base, it has been deemed fit to exclude the intrinsic revenues of the Kuwait Petroleum Company, of the Petrochemical Industries Company and of the Kuwaiti Airlines because their fiscal year is different. The total intrinsic revenues of these companies are estimated at nearly 100.6 million dinars.

As for the authorities and establishments with attached and independent budgets and with a fiscal year the same as that of the budget of the government ministries and administrations, their revenues have been estimated at 112.4 million dinars, compared to 91.1 million dinars in the preceding fiscal year.

#### Expenditures:

The public spending pumped through the state's general budget is considered the main mover of the Kuwaiti economy because it controls the level of the local economic activity. The course and direction of growth and expansion in the various sectors is also determined by this spending. This is what gives the general spending extreme significance in the Kuwaiti economy. Even though the budget expenditures represent the overwhelming part of the government spending, there is another part that is not covered by the budget figures but that is drawn directly from the state's general reserves. On the other hand, a part of the budget allocations is not actually spent for certain reasons, the most important being the limited ability to implement certain projects approved in the budgets of certain years.

The net spending in the budget of the 1979-80 fiscal year is estimated at 2,300,500,000 Kuwaiti dinars, i.e., with an increase of 314.1 million dinars over the preceding fiscal year.

What is worth noting is that the spending in the general budgets of the new fiscal year will follow the same appropriation priorities of the spending totals and of their distribution over the various sectors in the preceding years. Even though the sums and percentages have changed somewhat, the appropriation priorities have not.

The total current spending, represented by salaries, wages and the unclassified general periodic operation and maintenance expenditures of the government ministries, administrations, authorities and establishments having their independent and attached budgets--this total current spending amounts to 1,207,300,000 dinars or 52.5 percent of the total spending. Allocations for spending on construction projects amount to 592.5 million dinars representing 25.8 percent of the total spending. Meanwhile, remittance payments for the domestic national, public and joint sectors and for foreign commitments have been estimated at 350.7 million dinars. Appropriations for public expenditures have amounted to 150 million dinars.

#### Spending According to Service Sectors:

The economic service sectors have topped the list of net spending. This is not surprising because the spending in these sectors is aimed at securing, expanding and raising the level of the (basic) structure by bolstering the capabilities of the means of interior transportation and telecommunications and by devoting attention to agriculture and the fish resources and to developing industry and mining and the energy sources so as to serve industry and the national sector.

Allocations totaling 564.8 million dinars and representing 24.6 percent of the net spending have been allocated for these sectors, compared to 562.6 million dinars in the preceding fiscal year.

A sum of 555.9 million dinars representing 24.1 percent of the net spending has been allocated to the public services concerned with raising the standard of management, organization and the financial services, in addition to the commitments toward the Arab sisters and the friendly developing countries, compared to 410.5 million dinars in fiscal year 1989-1979 [presumably meaning 1978-79].

A sum of 302 million dinars has been allocated in the preceding [sic] fiscal year for the social services seeking to provide proper sanitary housing, to raise the efficiency of the public utilities and to provide information and religious services.

A sum of 242.3 million dinars representing 10.6 percent of the net spending has been allocated for the national defense sector in fiscal year 1979-80, compared to 230.7 million dinars in the preceding fiscal year.

## Allocations of Government Ministries and Administrations Budgets:

The total allocations in the budget of the government ministries and administrations have been estimated at 2.25 billion dinars for fiscal year 1979-80, compared to 1,941,000,000 dinars in the preceding budget, i.e., with an increase of 309 million dinars. Of this increase, 108 million dinars are for salaries and wages, 14 millions for public expenditures, 70 millions for construction projects and expropriations and 117 millions for unclassified expenditures and remittance payments. However, each of the allocation sections has maintained the relative importance it had represented in the preceding fiscal year.

The expenditures included in the general budget of the State of Kuwait can be divided into three main sections: Allocations for the ordinary expenditures of the ministries and the administrations, or the so-called ordinary budget, allocations for the construction projects, or the so-called development budget, and, finally, allocations for the public expropriations which occupy in Kuwait a special importance that distinguishes them from the first two kinds of spending.

### 1. Ordinary Expenditures:

These expenditures consist of three main categories, namely: Salaries and wages, public expenditures and unclassified public expenditures and remittances. The total allocations for these categories have amounted to 1,705,000,000 dinars, divided as follows:

The allocations for salaries and wages have been estimated at 466 million dinars, with an increase of 108 million dinars or 30.2 percent over the preceding fiscal year. In preparing these estimates, consideration has been given to applying the salary scales attached to decree by law No 15 of 1979 concerning the civil service so that the budget allocations may be compatible with the framework of the state's general policy of modernizing the public administration and developing the civil service systems.

The estimates for the public expenditures category have been made so that they may be within the limits of the actual requirements and so that these expenditures may be squeezed as much as possible without undermining the standard of the services and of production. Thus, the estimates for this category have amounted to 124 million dinars, compared to 110 million dinars in the budget of the preceding fiscal year.

The total estimates for the unclassified expenditures and remittance payments have amounted to 1,115,000,000 dinars, i.e., nearly one-half the allocations of the budget of the government ministries and administrations, compared to 998 million dinars in the preceding fiscal year, i.e., with an increase of 117 million dinars. The most important causes of this increase are the increase in the sums allocated for subscription to the international, regional and Arab organizations and institutions, the allocation of 25 million dinars to deal with the differences in the salaries of civil servants



--differences with a retroactive effect from 25 February 1979 to the end of June 1979--and the allocation of 35 million dinars to repay the loan of the Kuwait Petroleum Company, the allocation of the sum of 27.3 million dinars to repay the costs of the purchase and construction of buildings for embassies abroad and 21.2 million dinars for the repayment of the expenses of al-Wafrah Petroleum company in preceding years, in addition to the sum of 6.5 million dinars to reduce the cost of living by subsidizing some essential commodities.

#### B. Construction Projects:

The total costs of the construction projects of the government ministries and administrations approved in previous budgets and in the new 1979-80 fiscal budget have been estimated at 2,074,600,000 dinars. A sum of 395 million dinars representing 17.5 percent of the total allocations of the new fiscal year have been appropriated for these projects, compared to 390 million dinars appropriated in the 1978-79 budget. As usual, the stress was placed when preparing the estimates for the construction projects on completing the projects under construction for which contracts have been concluded and the projects for which steps have been taken to be presented for bids. A sum of 37.7 million dinars have been allocated for these projects. Moreover, a sum of 20 million dinars have been allocated for the emergency plans to meet any developing emergencies. The total costs of some approved projects have also been adjusted, either because of the adjustment in their requirements or because of the rising prices, both locally and internationally. Consideration has also been given to establishing coordination among the construction projects being implemented by the various ministries and administrations so that they may be compatible and integrated in terms of timing the phases of implementation and in terms of the capability of the technical apparatus to implement the projects, in addition to the capacity of the contracting sector in the country for implementation.

From the distribution of the estimates for the appropriations for the construction projects of the various ministries and administrations, it is evident that the Ministry of Public Works and the Ministry of Electricity and Water get 84.2 percent of the allocations, considering that a sum of 162.4 million dinars has been allocated for the first and a sum of 170.1 millions for the second. A sum of 30.4 million dinars has been allocated for the Ministry of Communications, of 9.2 millions for Kuwait Municipality, of 3.5 million dinars for the Ministry of Information and the sum of 700,000 dinars for civil aviation.

As for the distribution of the estimates of the construction project allocations for the various sectors according to their priority and their relative importance, a sum of 268.8 million dinars representing 68.1 percent of the total project appropriations has been allocated for the economic service sectors (electricity, water, transport, communications, trade, industry, agriculture and fish resources sectors). This is followed by the social service sectors (housing, religious and information facilities) for which a sum of 57.8 million dinars representing 14.6 percent of the total allocations has been appropriated, keeping in mind that these appropriations



do not include the Public Housing Authority's appropriations which amount to 148.3 million dinars. The appropriations for the social services sector (education, health and social solidarity) amount to 35.8 million dinars representing 9.1 percent [of the total appropriations]. Finally, there is the public services sector with appropriations amounting to 35 million dinars, representing 8.9 percent.

#### C. Public Expropriations:

The public expropriations through which the government assesses the value and acquires ownership of property belonging to the citizens are one of the channels of important government spending in the State of Kuwait. They are also a means of redistributing the oil wealth to the citizens.

The sum allocated for expropriations inside and outside the city during fiscal year 1979-80 amounts to 150 million dinars, representing 6.7 percent of the total appropriations, compared to 85 million dinars in the preceding fiscal year, i.e., with an increase of 65 million dinars.

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DIRECT INVESTMENTS IN FOREIGN VENTURES ASSUME MORE IMPORTANT ROLE

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[Article by Kikmat Sharif al-Nashashibi, General Director of Kuwaiti International Investment Company; "Direct Investment Outside Arab Homeland"]

[Text] Direct investments generally have begun to receive recently increased attention from the various oil exporting countries due to the relative hedge that these investments offer against inflation on the one hand and due to the drop or reduction of the value of the international paper currencies on the other hand. Direct investment means, simply, the ownership of a long-term productive investment asset.

The forms of this investment vary according to a number of considerations, some of which are connected with the investor himself on the one hand and with the economic and legislative conditions existing in the host country on the other hand. Without embarking on many details, the main forms of this investment are the following:

The full ownership of an already existing project.

The establishment of a totally new project.

Partnership with others in establishing a new project.

Ownership of a share in an already existing project.

Actually, each of these forms has its benefits and risks. Consequently, making a choice is an issue that is not governed solely by the investor's desire. There are numerous factors that have a basic influence in this regard, as we will demonstrate later.

To reach a beneficial production [conclusion], we will examine the conditions and dimensions of direct investment in both the advanced economies (western) and the developing economies (the Third World countries) because of fundamental differences between the two types of economies--differences that should be taken into consideration.

### Direct Investment in Western Economies:

It is acknowledged that the inclination of the direct investments toward the western economies is considered natural. In the first instance, it seems that the direct investments of the oil countries proceed almost totally to these [western] markets for the following main reasons:

1. The western economies have realized a big technological leap throughout a long history abounding with developments and inventions. Consequently, investing in these markets enables the investors to benefit from the expertise available in these markets. This is what the oil exporting countries--most of which are developing countries--need, specially since industrial investment constitutes the major form of this investment.
2. Direct investment in these markets can contribute toward meeting the increasing commodity demands of the oil exporting countries that are adopting large-scale development plans requiring the importation of a wide variety of production and consumer goods for which the western economies are the main source.
3. The western economies represent by nature suitable markets for disposing of various products as a result of the presence of an effective high demand in these markets, as compared to the situation in the developing countries. On the average, we find that the demand in a single European city is bigger than that of an entire African state. This is in addition to the high-standard service facilities that these economies offer, such as transportation, communications and so forth, and in addition to the resources that the production relations between the various industries and economic sectors provide for bolstering the production processes because of the intermediate demand in proportion to the total demand generally.
4. The western financial markets are so highly organized and capable that they make it possible to put to maximum advantage the means available for conducting the constant financial operations required by the direct investment activity.

Despite the aforementioned reasons which play a major role in channelling the direct investments of the Arab oil exporting countries toward the west, the actual situation does not help the investment of large sums in this sphere due to the vast assets available [locally] for investment on the one hand and due to the presence of legislative and non-legislative restrictions in the western countries on the other hand. The restrictions and obstacles currently facing direct investment in the western countries can be summed up in the following--keeping in mind that all these restrictions and obstacles center around curtailing the ability of the foreign investor to dispose of, and even complete, his direct investment because they restrict this investor's ability to:

1. Purchase a significant share that gives him influence in an existing company.

2. To sell his share in an existing company.
3. To transfer funds from a certain country with the purpose of direct investment for the goal specified under paragraph (1).
4. To transfer funds from a certain country as a result of the sale of his share, as specified in paragraph (2).
5. Transfer funds from and to a certain country with the purpose of lending or borrowing to implement a direct investment.
6. To transfer the profits, benefits, duties or service fees realized by a direct investment.
7. To exercise control over certain companies by appointing individuals to their management boards, regardless of the nationality of such individuals, or by any other means.
8. To issue securities in the financial market of the country in which the investment is present.

There isn't enough place here to examine the detailed conditions of direct investment in the various western countries. With the exception of the German economy which occupies a distinctive position among the west European economies in the sense of the absence of legislative restrictions that curtail direct investments, the other European economies adopt one set or another of restrictions. For example, we find that it is impossible for a foreign investor to own a share in a French company, whether at the time of its foundation or when its capital is increased, without the approval of the executive authorities concerned. The same applies when an investment is liquidated and its yields are transferred abroad. In the Netherlands, a special permit has to be acquired for direct investment and the investment has to be made in convertible currencies. Moreover, a project existing on the basis of such investment cannot borrow locally sums exceeding the value of the foreign capital invested and the reserves accumulated.

For the difficulties engulfing direct investment to become fully clear to us, we will confine our efforts in this study to examining the conditions of direct investment in the U.S. market which is actually considered the broadest and most important investment market. We will then review the most important international developments in this field.

#### Direct Investment in U.S. Economy

It is significant to point out that full knowledge of the U.S. market conditions concerning foreign investment generally requires in fact exhaustive followup efforts on a number of legislative, economic and technical aspects and on social and labor relations and other aspects of American life.

Therefore, what this part contains regarding direct investment in the U.S. market is no more than a summary of some of the abovementioned aspects, considering that our fundamental goal is to familiarize ourselves with the most important issues concerning direct investment in the U.S. market and not to wade into the numerous details of these aspects. Therefore, we will discuss in the following the reasons for direct investment in the United States, the form that this investment takes, the importance of choosing the right location for this investment and some of the legal aspects pertaining to this investment.

## 1. Reasons for Direct Investment in U.S. Economy

The U.S. market is the biggest world market in terms of production and consumption activities. The U.S. gross national production amounts to nearly one third the world production of commodities and services. This market employs the most advanced technical and administrative systems over an area of nearly 3.5 million square miles in which various climatic patterns prevail and which is permeated by a modern network of transportation and communication means and other service facilities.

It is also a market that uses a single language and a single currency, contrary to the situation of the European markets froming the EEC. This market also has sufficient skilled labor and other expertise that has a high productivity exceeding that of any other economy and that is relatively low in cost.

Statistics have shown that assuming that the productivity of the U.S. worker in the U.S. economy generally was 100 units in 1970, this productivity would amount to 52 units, 75 units and 79 units for Japan, Germany and France consecutively. This is at a time when the statistics indicate that the percent cost increase per worker ( a cost equal to the cost of one hour of work minus the production of one hour of work) is accelerating outside the United States at a higher rate than in the United States.

Moreover, the U.S. economy is considered relatively more stable than the economies of a number of other advanced countries. A useful statistic regarding the labor relations indicates that the number of lost work days in the British industry resulting from strikes amounted in 1973 to 1,000 days per 1,000 workers whereas it amounted to about 360 days per 1,000 workers in the United States.

On the other hand, the U.S. financial market enjoys such a degree of development and diversity that it meets all the requirements of the economic activities and the transactions they conduct. This is in addition to the vastness of this market when compared to the other financial markets. With the devaluation of the dollar twice in the past few years and with the relatively low cost of labor and of the other fixed expenses--such as land and buildings--the U.S. production establishments are in a good competitive position when compared to the other establishments in Europe and Japan. This



is what motivates the latter establishments to enter the U.S. market. This fact also offers, in principle, sufficient reason for the other investors to think of direct investment in the U.S. market. We can generally sum up the reasons for such investment in the following:

Improving the competitive position of the investor and diversifying the production lines (this aspect draws the interest of the European and Japanese establishments in particular).

Taking advantage of the technical and managerial expertise in the U.S. economy.

Benefiting from the financing credit facilities available in the U.S. financial market.

## 2. Forms of Direct Investment in U.S. Economy:

The proper investment choice is the one that offers the investor the highest profits in the shortest time and that possesses the elements of long-term success. In the U.S. market, making the right choice is more difficult because it requires (gathering and analyzing extensive data and studying a large number of factors included in...entailed by the...and steps required... the investment project) [a number of words dropped in Arabic copy].

Entering the U.S. market means that the investor has to face a new and comprehensive set of legislations and rules that are in force in a complex economy under which various sects and kinds of people live and where the conditions change from state to state by varying degrees, thus causing the foreign investor who is not sufficiently informed to be confused.

For the foreign investor to choose the right form for his direct investment in the U.S. economy, he has to evaluate a number of issues carefully or to get accurate answers on these issues, especially the following:

The type of industry or work on which he will embark and the production lines that he seeks.

The nature of the marketing activity pertaining to his industry or his products. The complete technical details of this aspect should be learned.

The investor's expectations concerning the project growth, the volume of its profits and the duration of its operation.

The capital required and the means to manage the project.

The need for a local partner.

Direct investment in the U.S. market assumes one of the following forms:

**A. Full Responsibility for Setting Up Project Shouldered by Foreign Investor Exclusively:**

In this case, the foreign investor has to shoulder the responsibility for supplying the capital, selecting the site, providing the technical and managerial expertise, watching the progress of work in the project and marketing the project's products. Naturally, this method is suitable only for the big establishments with advanced technical resources, such as the establishments found in the European and Japanese economies and aspiring to set up production units in the U.S. market to improve their competitive position.

**B. Partnership with a U.S. partner:** Establishing such a partnership is not as easy as it seems at the first instance because caution should be observed in selecting the right partner. Then efforts can be made to harmonize the conditions and goals of the two partners. Then the most suitable method has to be chosen to bring the partnership about and to agree on the control and management means. All these are issues that entail numerous considerations that will be the subject of constant negotiations. A wrong choice of the local partner will be exorbitantly costly whereas the situation will be the opposite when the partner is the right one or when this partner possesses high technical and marketing capabilities.

**C. Ownership of Already Existing Project:** The U.S. market provides the opportunity for the ownership of already existing projects, some of which may be successful while others may be facing difficulties in their work. Moreover, some of these projects may be offered for sale while others may not be offered for sale but can still be bought. Before concluding a deal to purchase an already existing project in the U.S. market, a foreign investor must make certain of a number of things pertaining to such a project, the most important of which are: The project's position among similar projects in the market, the project's productivity, the technical and organizational capabilities found in the project--the human element in the project may be of big value--the project's profitability, its financing requirements, the changes that have to be introduced into the project and their cost and, finally, the means of ownership and whether it is acquired by purchasing the project's shares or its assets. It is important that the foreign investor be careful regarding the expected commitments of the project resulting from the previous management--commitments that may surface in the future. It is preferred in this case to withhold [ta'liq] a part of the value of the transaction to face such eventualities when the buyer shoulders the result of the project's previous operation.

**D. Ownership of a share in an already existing project:** This is the simplest form preferred by the foreign investor when he cannot set up a project on his own or when it is impossible for him to own a project in partnership with others. However, this form of investment is not free of risks and landing the right project requires a prior study that is no smaller at times than the studies required for the other forms of direct investment.

### 3. Selecting Suitable Location in U.S. Market

Selecting the right location for implementing the direct investment is an important factor in determining the possibilities of success. The impact of this selection extends over a period of many years. It has been noticed from numerous U.S. industries that the sound geographic location for an investment produces savings in the manufacturing and distribution costs amounting at times to nearly 12 percent.

The decision to enter the U.S. market must take into consideration that the production and distribution costs vary greatly from state to state and even from city to city within the same state because of the difference in the cost of raw materials, wages, transportation, fuel, taxes and other elements from one state to another and from a big population center to a small population center. This is in addition to the presence of important differences in the standards of utility services, environmental conditions and social and labor inclinations, all of which have a tangible economic effect on the project's life.

The U.S. federal government does not itself offer any financial aid to attract new industries to one location rather than the other. The matter of this aid and its form are fundamentally within the jurisdiction of the state or of the city in which the project is located. This fact also requires knowing a lot of information pertaining to the possibilities and conditions of acquiring such aid, considering that this part of the study cannot discuss in detail the various elements of tax costs to underline the efforts that have to be exerted before selecting the geographic site for a project.

As for the labor element, efforts must be exerted to ascertain its availability, its productivity and its degree of stability. In this regard, the published statistics have to be relied on as the sole source. Because these concepts are different in the United States from what they are in the European countries, the statistics must be analyzed very carefully. Generally, acquiring accurate information on the labor element can come only through contacts and personal meetings. There are more than 150 major labor markets in the United States and the conditions in these markets are not similar.

Insofar as the tax costs are concerned, it is very difficult to examine here the impact of taxes on the selection of the right investment location in the United States. There are 50 states and there isn't much similarity between them in the tax structure. This is in addition to the presence of hundreds of tax agencies in these states. For example, 43 out of the 50 states levy various forms of taxes on the income of companies, there are 11 states that do not permit deduction of the federal tax and there are some states that calculate the tax on the basis of the gross income and not the net income. It is also important to point out the presence of many differences in interpreting the tax equations used for the activities extending over more than one state. While some states exempt the cost of construction materials, others exempt the value of the site and of the equipment. Moreover, while some states exempt from taxes the revenues of securities issued by the state

establishments to borrow from the local market so as to encourage these establishments, other states do not offer this incentive.

Because the tax cost is considered one of the important factors in the value of the investment project's net profits, learning of the tax situation resulting from direct investment in a certain location is fundamental before taking the decision to invest in the U.S. market.

#### 4. Some Legal Aspects:

The U.S. laws generally reflect the goals of the U.S. Constitution issued in 1789 to establish a balance between the power of the federal government and the powers of the governments of the various states. In accordance with this constitution, the states have judiciary authorities for all matters except for those matters which the constitution states clearly are matters within the jurisdiction of the federal government. It is generally noticed that even though a project falls within the jurisdiction of a certain state, there is a number of federal laws which must be observed by the set of laws and rules applied when the company is established, registers its operations or begins its operations (1). While state laws concerning the setting up and management of firms are relatively simple, the federal laws contain a number of provisions that affect, or even prevent, the setting up of an investment project, even though they most likely apply to a small number of investors. Therefore, it is necessary in principle for the investor [to know these laws]. Perhaps the most important of these laws deserving a special reference in the context of what we are discussing are the Securities Exchange Acts and the Anti-trust Laws. As for the Securities Exchange Acts, they are applied to shares and other securities of the companies called in the United States the public companies (2), be they big or small. These laws deal with the circumstances and the conditions according to which the shares of the said companies are sold or purchased. Because making a distinction between the various legal procedures followed in the cases of sale and purchase may be complicated (3), the financial transactions pertaining to the public companies arouse major legal problems and at times cost very heavily. This is what the foreign investor should be perfectly aware of. [Words dropped] Among the stipulations made by these laws, we find for example that the establishments with shares owned by more than 500 persons are required to submit quarterly and yearly reports to the Securities and Exchange Commission and to send detailed data to the shareholders on the number of shares owned by the directors, the allowances they collect and the system of control followed in the company. Moreover, an investor holding an important share of a public company has to disclose himself and it is considered a legal violation for the investor to conceal his share ownership through a foreign bank or any other party. When the shares of a company are registered in the stock exchange, it is necessary to disclose any direct or indirect ownership of five percent or more of the existing share capital. The investor concerned has to declare monthly any change in the percentage of his share so that this information may be available to the public. The information is also published periodically in the local newspapers. Moreover, such an investor has to



notify the Securities and Exchange Commission of any profits he makes through selling or purchasing establishment shares within 6 months--Shares Control.

As for the Anti-trust Laws, we point out in particular the Clayton Act in accordance with which any foreign investments in the industrial field, either by ownership of an already existing project or by partnership with a local company, can be banned if such investments are liable to reduce the competition in the market considerably. Therefore, the foreign investor must study the markets that he will enter, the competitive position of the companies and the impact that the establishment of the project will have on them. He should seek guidance in his study from the statutes and public rules designated by the courts concerned or by the Federal Trade Commission. Consequently, the establishment of a project is not only an economic issue but also a legal or a judiciary issue.

In fact, the Anti-trust Laws have a great impact on American life and the U.S. law and they cannot be ignored. Naturally, the bigger the size of the project the more it is exposed to the provisions of these laws. But some of these laws apply automatically to all projects, regardless of their size.

In accordance with the law, the same investor is prohibited from participating directly or indirectly in the management of a project competing with another project in which this investor participates. There is no way to circumvent this law.

Application of the anti-trust laws is no longer meant solely to prevent the eruption of legal problems with the executive authorities but is also intended to prevent getting into problems with the civil circles which can take action against a project and collect a compensation equal to threefold the damages proven to have been caused by such a project's violation of the anti-trust laws. Therefore, it is also important that the investor make sure that he does not participate in the ownership of a project liable to violate the said laws. Should the investor purchase such a project, then he is advised to withhold a part of the value of the transaction to meet any future commitments of the sort.

#### Recent Developments at International Level

The international economy is suffering in this period, as is well known, from bad conditions called the recessionary inflation because while threatened by the ghost of inflation, the economy is dominated by the phenomena of recession and of a high unemployment rate.

Even though the economic officials of the advanced countries acknowledge frankly the important role played by the flow of foreign investments in solving the cluster of existing economic problems, what is practically known or expected is that the flow of the foreign investments is meant to take definite forms and that the direct investments will face a degree of control or will be driven to positions incompatible with the aspirations of the foreign



investors. Some of the instances that provide indications in this regard are the following:

The resentment with which the investment transactions made in the Federal Republic of Germany in the interest of Kuwait have been met. As a result of this resentment, the German authorities concerned have begun to prepare legislation requiring that they be notified of such transactions before they are concluded.

The warnings repeated every now and then by the foreign economic and financial circles, some of which are published in the foreign press, on the danger of permitting the Arab investors to control the western means of production and the demands coupled with these warnings calling for watching the direct Arab investments and for strictness in channelling them. These warnings and demands have fallen and continue to fall in some cases on attentive ears as a result of the efforts of the hostile media. At the level of the United States, what draws our attention in particular is the interest displayed in the direct foreign investments at the highest U.S. levels where many studies are under preparation and where thought is given to drafting many bills in this regard. The U.S. President signed in October 1974 the Foreign Investment Study Act which aims fundamentally at conducting a comprehensive survey of the direct investments and the foreign money investments. It is noticed that the said act asks the U.S. Departments of the Treasury and of Commerce to analyze the impact of the foreign investments on the U.S. economy and to review the methods of the reporting requirements applied to the foreign investors at present. On the other hand, the U.S. administration has asserted repeatedly that it will impose restrictions on those sectors that are considered vital to the national security and national interest requirements. Thus, it can be said that the actually existing restrictions concerning the direct foreign investments in the advanced economies will be subject, as already pointed out, to future adjustments that will actually make them stricter and more complex than they are at present, especially in regard to the industries or sectors which these investments seek. However, we should keep in mind that there is a basic difference worth noting between any likely Arab investments in this sphere and the direct investments made by the United States. While we find that the direct U.S. investments, amounting to 100 billion dollars in Europe alone, have been actually made with non-U.S. monies supplied by the Eurodollar market, the direct Arab investments are, on the other hand, made with liquid and surplus Arab funds.

#### Direct Investment in Third World Countries

There is no doubt that the third world countries, most of which are developing countries, have become one of the investment outlets to which strong reference is made whenever the future of the accumulated oil assets is discussed.

The rich Arab countries which have actually begun to direct their attention to investment within the African sphere and then in the developing countries generally may have taken steps in the right direction because the existing mixture of the purely technical considerations and of the economic and

political considerations included in this direction have come to constitute in the wake of the recent financial and oil developments a unit with fully integrated parts that will have an effective role in maintaining and strengthening the economic and financial strength [of these rich countries]. This strength, created by the recent conditions at the Arab level, can practically turn the group of developing countries into a source for bolstering Arab efforts exerted in any likely confrontation with the other blocs that seek to weaken or paralyze the aforementioned strength, rather than the opposite. In this sense, the developing countries will be more like a reserve on which the group of Arab countries relies. This is something that affects the crux of the new political and economic strategies being formulated in the Arab homeland and is a matter that cannot be disregarded.

However, the success of these efforts and the establishment of a successful investment activity in these [developing] countries must be accompanied by organized financial aid programs that take the form of grants and soft-term loans aimed at developing the utility environment surrounding the investment activity--utilities that are at times extremely inadequate. This is considered necessary for making profitable or commercial investments in the acknowledged sense of the word.

It is also very important to point out that this aid be given directly and not through the well-known international agencies and organizations, considering that the direct method is the only one that enables the Arab aid to perform its task of attracting the support of the said countries in the abovementioned manner. The clear channelling of this aid to the developing countries has an important effect on channelling their policies whereas such an effect is not realized when the Arab aid is advanced indirectly--such as when it is advanced by way of the International Bank for Reconstruction and Development. Added to this is the fact that this aid has become more necessary now than it has been in the past 2 decades. As a result of the recent oil developments, the positions of the balances of payments of these developing countries have deteriorated considerably. Moreover, these countries not only have to pay the high price of their oil imports but also have to shoulder the burdens of the prevalent international inflationary wave which is almost completely transferred to these countries as a result of the structure of their foreign trade with the industrial countries. The increases in oil prices have contributed, even though in a limited way, toward the intensity of this inflationary wave.

It is extremely significant to point out that the aid advanced to these countries is an indivisible part of the investment act itself, even by the technical criteria. The sums remitted to these countries as aid are not independent of the sums that flow into them for the purpose of direct investment. This is further confirmed by the tangibly limited direct investment opportunities in the western economies which are not prepared legislatively and technically to receive a large part of the oil assets in the form of direct investments, as explained in the preceding part of this study.

What we are discussing here represents a new inlet to the concept of investment--an inlet that imposes itself in this phase in accordance with special investment criteria pertaining to this inlet in particular. In the final analysis, we have to view the yield of investment in these countries as being the outcome of not just the direct investment activity but also as a yield produced by the value of the aid and loans channelled toward these countries. On the other hand, the importance of the direct investments do not saddle these countries with the burdens of servicing debts, unlike loans which have to be repaid with the interest due on them--a situation which causes further deterioration in the already poor positions of the balances of payments and poses the danger of the emergency cases of bankruptcy or failure to repay the loans.

Yet, there is a number of facts that offer investment in the developing countries sufficient justification but which, at the same time, engulf such investment with a number of risks. These facts can be summed up in the following:

#### 1. Justifications and Incentives for Investment in Developing Countries:

Regardless of the form that the foreign investment activity may assume in these countries, it is well-known that this activity seeks to realize the following:

Investor ownership of new sources of income that realize for the national economy a degree of diversification which is the more strongly needed the more the economy relies on a limited number of export commodities or on a single commodity, such as oil. This is the case insofar as most of the Arab oil countries are concerned.

Securing constant sources of the commodities needed by the national economy but not produced locally or produced in inadequate quantities or when this economy fears a steep future rise in the prices of these commodities, when it expects foreign obstacles to face the delivery operations or when the commodities are strategic commodities. These commodities may be raw materials, semi-processed materials or agricultural, industrial or mineral materials.

Securing integrated lines for the existing industries or for the industries scheduled to be set up within the national economy, especially in regard to the commodities needed by the industries in the production operations.

Taking advantage of the relatively low cost of the other production factors in the hosting countries, such as the rent on leased lands and the labor wages, as compared to the international standards prevalent in the industrial countries.

Benefiting from the facilities, privileges and exemptions offered to encourage the inflow of foreign investments to these countries--facilities, privileges and exemptions that are not available by the same degree in the industrial or rich countries.

## 2. Risks of Investment in Developing Countries

It is understood that every investment has its risks and that these risks vary according to the form, location, duration and sphere of investment and other such details. These risks also vary in their size and effect insofar as the investment activity is concerned. The risks might be of a purely technical, economic or political nature or of a different type. Naturally, discussing the aforementioned investment risks is beyond the bounds of this study. Therefore, we will be content to sum up here the risks entailed in investment in the developing countries:

The success of an investment project in a developing country most often requires numerous extra utilities connected with the work of this project due to the evident lack of such utilities.

It is not easy at times to secure the required numbers of skilled workers or of the elements capable of managing the project efficiently.

The investment projects in these countries are most often export oriented. This requires extreme care in studying the marketing spheres available, considering that the local markets of the hosting countries are most frequently below the maximum production levels--especially the levels of the major investment projects.

The low technical level of the developing economies. This makes acquiring the needed technical expertise dependent to a large degree on the inclusion of another foreign partner from the advanced economies. Such partnership helps greatly in bolstering the aforementioned marketing efforts.

The local financial markets of many of these countries, as well as their banking agencies, are extremely backward. This makes the investment projects set up in these countries incapable of resorting to these markets to secure their needs of local financing, including the needs for the operational capital. The investments are also incapable of taking advantage to liquidate the investment, or part of it, when such liquidation is needed for various reasons, considering that these markets do not enjoy this characteristic. The lack of organized financial markets in these countries makes it a must for investments in them to be medium-range or long-range investments. All this represents important shackles that affect practically the nature of the investment decision.

The various commercial, financial and monetary aspects of the local economic policies are subject to constant adjustments and changes that are difficult to predict. Some of the changes and adjustments might be fundamental and might take a course that threatens the crux of the investment activity.

Very often it is difficult to achieve a sufficient degree of control over the investment activity in these countries because of the likely direct or indirect intervention of the local authorities in this activity. Moreover, many of these countries display a definite desire to control totally the



foreign investment activities in their territories. It is especially noticed that the foreign investor may not be permitted to own 51 percent of the shares of the project scheduled to be set up.

The declared legal provisions concerning foreign investment do not constitute practically a sufficient guarantee for the foreign investor in a number of these countries.

However, it must be pointed out that enumeration of the risks entailed in investment in the developing countries should not so much constitute a factor for negligence as it should constitute an incentive for generating more efforts and contacts to overcome whatever obstacles may be surmounted so as to facilitate the success of the investment activity in these countries in view of the importance of this issue in planning the investment policies of the Arab oil countries according to what has just been demonstrated.

The aforementioned demonstrates to what degree the direct foreign investment are subject to the policies, legislations and local conditions prevalent in the countries hosting these investments. These are aspects that vary from one economy to another. They may be extremely complex, as is the case in the U.S. market. Such complexity requires that utmost efforts be exerted to reach the most suitable means through which the direct investment can realize its goals without being misdirected and without falling the captive of the restrictions that we have explained.

The preceding analysis explains the main reasons that strengthen the efforts to make direct investments in the advanced economies lose practically a large part of their value, even though these reasons remain essentially sound from the theoretical aspect. The analysis also demonstrates to us clearly at the same time the importance of developing sufficient opportunities to encourage direct investment projects inside the Arab homeland and in the other developing countries. This is what we will deal with in the other parts of this study.

#### Footnotes:

1. Numerous companies are inclined to register in one of the states known for their easy company laws and for their low taxes, such as Delaware State.
2. They are intended to mean the companies owned by the public and not by the state, as is acknowledged in the economic literature.
3. The method might be that of the public offering of shares or the form of a private placement.



GOVERNMENT, PARTY OFFICIALS DISCUSS SAHARA ISSUE, LOCAL COMMUNES

Moroccan Information Minister

Paris AL-MUSTAQBAL in Arabic 8 Dec 79 p 48

[Text] Moroccan Information Minister Abdelwahed Belekziz was an ambassador for the Kingdom of Morocco before becoming its information minister. Ever since he set foot in the Information Ministry's Rabat office, he has given all his time and energy to making information information in the true sense of the word. He has given instructions to allow all newspapers and magazines into Morocco, even those which do not share Morocco's views. The following interview took place in his office at the Information Ministry.

[Question] Mr Minister, I have noticed all the newspapers and magazines published throughout the world, even those which attack your policy. Is this a new information step?

[Answer] In fact, we are all for freedom and for giving others the right to speak as they see fit. We believe that the citizens of Morocco have a great deal of immunity, and are not so weak that we have to forbid them this newspaper or that. Furthermore, they believe in the justness of their cause, and therefore they will not be influenced by what some newspapers say as long as such statements are against their convictions, nay, their beliefs. You may have observed here the Moroccan citizens' devotion to their government and to the policy which the state is drawing up on behalf of the people.

[Question] What is the status of the Sahara issue--that issue which, if it continues (God forbid) will exhaust such effort, money and Arab blood?

[Answer] As far as we are concerned, there is no such issue called the Sahara issue. Very simply, I say that national soil was under Spanish colonialism, and we have been able to restore it to the homeland.

We call for peace, and we will continue to do so. As for the war now going on in the Sahara, it has been imposed on us, and it is draining the blood, money and time of all of us. This war no doubt is not draining the blood, money and time of Morocco alone, but Algeria is also paying heavily. Its

economy has declined ever since it forced itself into this issue, while frequently declaring that it has no claims on the Sahara. We in Morocco have been forced to defend ourselves because we feel that we have a legitimate right.

[Question] The Egyptian president offered his support for you in the Sahara problem. Is it true that you might be forced to accept this aid, knowing that Morocco had previously denounced al-Sadat at the ninth Arab summit conference held in Baghdad as well as at the Islamic summit held in Fez?

[Answer] I want to tell you that we in Morocco have clear stands, and that you journalists have to enlighten public opinion without interfering or laying blame. In some Arab newspapers, information is enlisted and mobilized to force us into all sorts of things bad for our country.

[Interruption] But al-Sadat has actually offered you his assistance.

[Answer] We know that, and our position vis-a-vis al-Sadat is clear and manifest. I repeat: it would be better if these papers, instead of taking these stands and circulating things detrimental to the Moroccan people, avoided this tiresome area and looked to the future. Cooperation, integration, and common effort must be instituted among the nations of the region, because border problems are chauvinist problems, and it is in the interest of the Algerian and Moroccan people to go beyond the narrow, national stage in order to work seriously so we can win the bet--emerging from backwardness to give the people of the region the level and role which is right for them.

[Question] King Hasan II did not go to Tunis, and it was said that the reason for his not going was the failure of Arab mediation to bring him and the Algerian president together to put a stop to the killing in the Sahara. Is this true?

[Answer] The Kingdom of Morocco was represented by a high level delegation headed by the prime minister and including a number of ministers. The delegation undertook some important activities during the conference and behind the scenes. The information circulated by the newspapers remains nothing but hypotheses, possibilities and perhaps justifications.

[Question] Inasmuch as you were part of the delegation which went to the tenth Arab summit conference, how do you evaluate its results? Do you feel that Lebanon, which called for this meeting, obtained all its rights?

[Answer] The summit conference's results were positive--no doubt of that. All the recommendations insisted on Lebanese territorial integrity, in view of the concomitants surrounding the Lebanese issue. The conference also resolved on economic support for Lebanon, and this is a very important thing, because the conference was looking to the future of united Lebanon.

[Question] During my stay in Morocco I was able to attend the conference of local communes, which is being held for the second time in Morocco. These communes are an advanced model for democracy in the Third World. Could you give a brief picture of them for the Arab reader?

[Answer] I am grateful to you for this question. It was opportune that the second conference of local communes was convened during your visit to Morocco, and that you could follow up this meeting and observe the frank debate which has prevailed in the various committees of this conference. You have been able to observe that democracy in Morocco is a daily practice, and that the concern of the elected official on the local level is an indication of the progress of the commune to which he belongs. Consequently, this can be considered the best indication of democracy in practice, not in words, oratory or slogans. You no doubt observed that His Majesty the King's directives to the conferees to work in an atmosphere of coexistence, in order to arrive at a synthesis, amounted to a working paper on which the conference concentrated during all its discussions. If I am grateful to you for this question, it is because this experiment is a unique one for the Third World, and actually deserves Arab and international recognition.

[Question] But what are the local communes?

[Answer] In every country in the world, the authorities, working through their men, have been able to make sure that not all the goals of the citizens are achieved. In fact, some men in power are able to exploit their positions to disburse some of the money to relatives and friends, and to deprive the citizens of their share of prosperity. This was the idea behind the local communes.

The people of the village, town or even the people of the countryside and the desert meet and elect a team, which alone will supervise the authorities. Also, it alone will disburse funds for development projects, clinic and hospital construction, school openings and road construction. As for the governor ('amil in the Moroccan dialect), he only carries out the decisions of the local communes. He and his men have no power except as delineated by the local communes.

The local commune has the right to supervise the implementation of its resolutions. If it notes any shortcoming or violation, it is entitled to change the man who was the cause of it--even to punish and legally try him if there is justification.

#### Istiqlal Party Leaders

Paris AL-MUSTAQBAL in Arabic 15 Dec 79 pp 30-31

[Text] The Moroccan Istiqlal Party is as old as the Moroccan olive tree. And, just like the tree, it shines even when no light touches it.

In the Arab East, no one thinks of Morocco without thinking of the Istiqlal Party and its struggle against the French for the sake of Moroccan territorial integrity. In addition, it was and still is struggling to Arabize Morocco. The Arabic language there is still not doing so well, in spite of the strong, stormy Moroccan sentiments about their Arab associations and origins.

AL-MUSTAQBAL met with three Istiqlal Party leaders--M'hamed Douiri, Moroccan Minister of Equipment and member of the Istiqlal Party's executive committee; Abdelkrim Ghallab, general director of the Moroccan paper AL-'ALAM, the party organ, and member of the Moroccan Parliament; and Mohamed Larbi Messari, editor-in-chief of AL-'ALAM and member of the party's executive committee. I posed a number of questions to them about the party's connection with the state and the Moroccan opposition, and discussed other matters with them. Here is the record of the discussion.

[Question] We knew the Istiqlal Party as an opposition party, and today we see it participating in the government. What is behind this shift?

[Answer by Douiri] We have eight ministers in the present government. The party found that there was a patriotic, nationalist need to share the responsibility, after the achievement of one of the many demands for which the party was struggling--regaining the Moroccan Sahara and restoring it to the homeland.

[Question] Mention of the Sahara makes me ask: what is the status of this issue? Is there any solution near which will satisfy all the parties and end the draining of money, blood and weapons among Arab brothers?

[Answer by Messari] The Sahara issue has entered a very serious stage because of the transformation of an essentially bilateral and local disagreement affecting the states of the region into an international struggle in which Algeria and Morocco might become merely tools in a struggle controlled by higher calculations. There are no signs of a solution on the horizon, for Algeria, which has gained propaganda coups by bringing up the slogan of self-determination, has been encouraged to show a hard line in a firm statement to the effect that there is no dispute between itself and Morocco--that the dispute is between Morocco and the Polisario. Algeria is gambling that Morocco will eventually surrender to Algerian conditions, after having suffered continued exhaustion and diplomatic isolation. In Morocco, no one imagines the possibility of renouncing any part of the Sahara, after scores of years of struggling against Spain. The Moroccans are betting on their ability to stand fast, and are also refusing to resign themselves to using some "principles" to justify a certain policy of control.

At present, there is no way out, because Morocco wants only to fight for its territorial integrity. In its opinion, this standstill can be set in motion through concentrated, collective Arab mediation to get Algeria to accept a reasonable, acceptable solution which would stop the drain of



both parties' blood and money, and which would end the fragmentation of this part of the Arab world, all the while knowing that continued tension will give an opportunity for foreign intervention.

[Question] Hasn't there been any serious Arab mediation yet?

[Answer by Douiri] You may have observed the Moroccans' devotion to their Arabism, as well as their feelings about the Palestinian cause. I remember that before the October 1973 battle, King Hasan II did not want to order an army unit to Golan in Syria or to Sinai in Egypt. Instead, he asked for volunteer army units to go and take part in the battle for Arabism. What was the result?

When the king's directives were put before the officers and soldiers, all of them without exception volunteered to go to the war. The leadership was in a quandary and couldn't find any way to decide who was to go except for drawing lots. As of now there have been 1,881 victims among Moroccan soldiers in Golan, martyred while aiding the Palestinian cause and defending Syria. I don't recall exactly how many were martyred in Sinai. I can't say for sure right now, but I do recall that the Moroccans have been and always will be on the side of Arabism and all its issues. Since we are delving into our memories, I also remember that when I was Morocco's Finance Minister during the outbreak of the Algerian revolution, the king's instructions were clear: the Algerian revolution was an Arab revolution and it must be supported by all means. I personally carried suitcases full of money (dollars and French francs) to the rebels, and others brought them weapons. Moroccan territory was like South Lebanon is now--a refuge for the Algerian resistance, from which they started out and to which they returned. I don't know the reason for the Arabs' present reluctance to offer real Arab mediation to end this struggle which is costing both sides so much.

[Question] Your party opened many Arab windows, and it has good relations with the Libyan regime. Why don't you ask al-Qadhafi to mediate to solve the dispute?

[Answer by Douiri] At the beginning of the 1 September Revolution, we had fine relations with the Libyan regime. Now this is not so--you may perhaps know the reasons.

[Question] But some people say that your party has taken aid from al-Qadhafi.

[Answer by Douiri, angrily] We deny that any regime in the world, or any organization, has paid us a single centime. The Istiqlal Party is funded by its members only.

[Interjection by Challab] There are intelligence agencies here in Morocco, over there in France, and in all the countries of the world. We challenge all these agencies whether they have a single document showing the Istiqlal Party guilty of taking aid from anywhere.



[Question] I have observed that King Hasan II has won unanimous support within Morocco. Do you believe that this is because of what is going on in the Sahara?

[Answer by Messari] Hasan II has been considered more than a king ever since he plunged into the Sahara matter and put it into its proper perspective in 1974. He is not just a head of state but has become the leader of a national cause. The head of the French state (such as Giscard d'Estaing) finds some people who accept him and others who reject him. But everyone is on the side of the leader of the national cause (like De Gaulle in the 1940's).

[Question] Your party has been accused of supporting the king in this stormy manner so that if he wins, you will share in the winning, and if he loses, you will be the replacement. What is your reply to this charge?

[Answer by Messari] The complete unanimity on the national cause which observers have noted goes back to one basic thing: the belief that Morocco's existence and fate are linked with the fulfilment of the nation's territorial integrity. All Moroccans share in this conviction, and they are all partners in winning or losing. For the sake of protecting our existence, we attach no significance to winning or losing.

[Question] I have observed that the Arabic language is still in a poor state in Morocco, in spite of the citizens' pride in their Arab associations. This observation also applies to your press. Is there any way to reform it?

[Answer by Ghallab] Do you know that French colonialism forbade us from studying the Arabic language and even speaking it? Our party has led, and is still leading, the Arabization struggle ever since colonial times. If you were to visit one of the schools today, you would find serious efforts to teach and spread the Arabic language to the boy and girl students. The language matter is one of the things our party is most concerned with, but we need some time to arrive at the right picture. There is another observation to be made--that you in the Arab east did not suffer what we did here. And don't forget the dialectal differences between us and you.

[Question] The Istiqlal Party is raising the banner of socialism. Inasmuch as the party today is a participant in the government, what has been accomplished on the road to socialism?

[Answer by Douiri] Our party represents a minority in the government. Nonetheless, we are struggling to make socialism a practice, not just a slogan. If it were not for the dispute between us and the Socialist Union Party in the last elections, we would have been able to do a great deal, since this party, even though it shares the same slogans as we do, began fighting us during the last 2 months of the election campaign. This caused it to lose significantly--we won by 50 out of a total of 264 parliamentary seats. Thus we are struggling for socialism.

[Question] With respect to the second conference of local communes, do you feel that they are the right way to democracy?

[Answer by Messari] It is a long story, but it can be summarized as follows. When the Saharan issue began, it was firmly connected with the democratic sequence. We accepted the democratic experience with all its defects, out of a realistic analysis that there was no other alternative but vacancy, despair and failure. Pressure groups tried to hamper the democratic trend, and warned against having parties, because throughout the 1960's, while the constitutional organizations were being lulled to sleep, interests and privileges developed, the holders of which reached important positions in the administrative apparatus and in economic activity. These groups entered the democratic experiment thinking that they would gain experience and the ability to move around inside the organizations, and that they would surpass the parties. (I am talking in general here; I don't mean all the formations and appellations in existence, but rather the "parties" which were the qualified spokesmen at the crucial moments.)

Now the fact is that the groups referred to began to discover that the law had given extensive powers to the commune councils, and that the people were loyal to the parties. Therefore there are sometimes convulsions, which are due to the privileged persons' jealousy of the gains which these communes have achieved in the absence of the organizations.

[Question] Do these groups represent a danger to the democratic experiment?

[Answer by Messari] Most certainly. These groups are incapable of rising to the level of the historic moment being experienced by the people. Similarly, the officers who were brought up in the French army are the ones who benefitted from the game of warning against parties in the 1960's. Those Moroccans with syncophantic interests, through their connection with foreign capital, are capable of corrupting the experiment by brandishing the same warning.

[Question] What about the slogan "eliminating class differences?"

[Answer by Messari] This refers to liberating the Sahara and considering Arabization a choice we cannot back down from. The slogan must be embodied by placing the national revolution in the hands of its makers, by nationalizing banks, mines, and insurance companies, re-examining Moroccanization, expanding the workers' participation in running the organizations, and other ways which are on the present government's agenda right now. We can't wait very long for the realization of these demands.

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EDITORIAL EXPRESSES HORROR AT FREEZING IRANIAN FUNDS IN U.S. BANKS

Doha AL-'ARAB in Arabic 15 Nov 79 p 1

[Editorial by Khalid 'Abdallah Ni'mah: "And Free Economic System Has Fallen!"]

[Text] It seems that Carter has chosen the path of confrontation with Iran. In this choice, he is considering only his personal interests and not the interests of the United States. Else, what explains to us his decision to freeze the Iranian assets in the U.S. banks?

Carter has begun to take into account the election campaign at the expense of his country's interest. He wants to strengthen his position at home in any way.

Moreover, Khomeini has no objection to a comprehensive confrontation in which the United States will be the sole loser.

Carter's decision to freeze the assets blows up the free economic system from its foundations and means that the foreign assets in the United States are in danger.

On a decision from the White House President, the return of the peoples' funds to the peoples will be prevented.

This means that we are facing an international act of piracy committed by one of the two super powers before the eyes and the ears of the entire world.

After this serious Carterist decision, we are entitled to ask:

Aren't the Gulf states entitled to reassess their positions on depositing their funds in U.S. banks, especially since the bond of the United States with Israel is unbreakable? We will not be surprised if every ruler in the White House will relish the asset-freezing game whenever his interests face danger.

Because the U.S. interests are not necessarily the interests of the peoples, rather the opposite, the asset-freezing danger will continue to exist in the face of every regime that opts for the path of economic independence.

In the wake of Carter's decision to freeze the assets, what does selling the oil for dollars mean now that it [presumably the dollar] has lost its real value? Why don't we turn toward an international currency basket instead of the enthusiasm to strengthen the dollar?

Carter's decision has serious meanings that will shake the international system, will shake the reputation of the United States in particular and will cause confidence in all the U.S. banks to be lost.

Finally, this decision constitutes a lesson to us, the Arabs, who possess manyfold the Iranian assets--assets that are employed in one way or another to bolster the U.S. economy which has been supporting our Israeli enemy for 30 years. Meanwhile, we have done nothing other than to increase these assets, as if rewarding the United States for all its positions toward us.

We must emerge from the U.S.-Iranian confrontation with several conclusions: First, the United States is not a fearful bogey that cannot be confronted. Here are the Iranian people proving daily that they can say no and shoulder the consequences of their position.

[Second,] the White House decisions are governed by the election campaign conditions. This means that we expect the emergence of uncalculated decisions that may shake the U.S. system altogether, decisions like this asset-freezing decision.

[Third,] the dollar, as an international currency used as a basis in the oil transactions, cannot withstand any tremor. Drawing the assets would have been sufficient to topple the dollar. This behooves us to re-examine the position of the dollar and to use a currency basket in selling our oil.

Finally, the free U.S. system has failed in the confrontation test.

Arabs, think a thousand times before you deposit your monies in U.S. banks because the danger of freezing is behind you.

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## NATIONAL FRONT MEETINGS DISCLOSE DOMESTIC DISCONTENT

London AL-HAWADITH in Arabic 7 Dec 79 pp 28-30

[Cover story partly written by Walid Zahr al-Din and 'Ali Salih in Damascus: "Syria in a Phase of Challenge; AL-HAWADITH Obtains Minutes of the Debates of the National Front in Damascus"]

[Text] The past 3 months saw an unprecedented activation of the political climate in Syria. Observers interpreted this situation, which revolved around the Progressive National Front in its capacity as an alliance--though a nominal one--within the government, as one reflecting a decision taken by President Hafiz al-Asad to confront the challenge facing his regime. The campaign of criticism which the Syrian regime has partly allowed, in addition to the troubling incidents of assassination and murder, has been accompanied by a worldwide campaign championed by the London-based Amnesty International. All this created the impression that Syria is headed for a series of political changes which, it is said, will begin with the central command of the National Front and end with the People's Assembly, after taking in the present government.

Although the Syrian Government's counterattack is focused on the Muslim Brotherhood, many Syrian writers and journalists believe that the wave of arrests includes other groups. This is made clear in the recording of the National Front's meeting in which those writers had a candid session with a number of officials. AL-HAWADITH has managed to obtain a copy of that recording. In a report to be released in the first half of December, Amnesty International supports this view because it has obtained information indicating that the arrests include Kurds, communists, and others.

The internal political situation in Syria dominates any other topic of discussion in Syria. About 2 months ago, in its now-famous meeting with President Hafiz al-Asad, the National Front command decided to "work toward correcting mistakes through three formulas: to punish offenders and insure the predominance of law, to put the right man in the right place, and not to exercise political responsibility except within the bounds of law." Since then the special committee set up under Mahmud al-Ayyubi to discuss the means of applying those formulas has been holding meetings with various political, labor, student, and popular organizations. Parts, but not the full minutes, of those meetings have been published in the local press.



Observers were struck by the nature of the discussions which went on at those meetings and by the blunt and severe criticisms directed at the government and its policies. Views differed in interpreting this new phenomenon in Syria's political life and the ruling power's attitude. Some see it as an attempt to absorb the resentment and anxiety among the people by providing a marginal outlet for those sentiments. Others see it as a means by which President al-Asad seeks to put pressure on the political, economic, and administrative agencies to alarm them and thus prompt them to improve conditions in the country, especially after the failure of the plan to bring illegal profiteers to account. There are outside interpretations which say that the purpose is to distract external attention from Syria's military preparation following its acquisition of modern and sophisticated Soviet arms, focusing it instead on expected internal changes. Some Syrians, however, see things in completely reverse terms and say that the aim is to engage the people's attention on internal matters so as to distract their attention from the more complicated foreign problems, including the conflict with Israel and the Lebanese problem.

This is not the first time in which the question of a change of government has been raised. The resignation of the government was an issue 3 months ago, particularly after the bloody events in Aleppo and Latakia. But that issue was set aside at the time, after the extensive leadership meetings which were held for that purpose. It was decided at those meetings that it would be better for the country to face the situation with the present government than with a new government, because formation of a new cabinet would suggest that the public situation had deteriorated beyond the government's ability to cope and therefore required a new government.

The question of the cabinet's resignation was raised again when President al-Asad returned from his recent visit to Moscow "to confront the phase of the post-visit era." But the question was shelved again in anticipation of the Arab summit conference which had been set in the meantime.

The second proposed change is to change the National Front, which, in addition to the ruling Ba'th party, embraces the Communist Party (Khalid Bakdash), the Socialist Arabs movement, the Socialist Unionist movement, the Socialist Arab Union, and Nationalist Nasirite Party. President al-Asad has shown special attention to the Front by taking along with him to Moscow Danial Ni'mah, member of the Communist Party (Khalid Bakdash). A change within the Front has become inevitable since the Front's command, in a statement issued after the aforementioned meeting, admitted that it has been negligent in its tasks and performance. Although the nature of the likely change is not known, the sharp debate which has arisen about this subject throws light on the possibilities.

The debate has focused mainly on two major issues--one dealing with practices, the other with theories and general political concepts, primarily the questions of freedom and democracy.

At a meeting between the Committee for the Development of the National Front and teachers and university professors in the various educational institutions, Fakhir 'Aql said: "It seems that when they stood against Camp David, our rulers had not planned what steps were to be taken afterward. The future of the homeland is now in the wind. Before you demand of people to do what they must, you should first demand of yourselves to do what you must. Why shouldn't there be democracy?... Why shouldn't there be equal opportunity?"

'Arif Dalilah said: "What is it that is worrying us? Why do we agree that the homeland is in danger? This means that all the structures are without substance. As citizens, we hear and talk about errors, but it is the responsibility of the officials, in view of their positions, to detect the errors. The economy is not well. There are a housing crisis, foreign debts, a transportation problem.... The Front is a poor representative... the masses have lost touch with the cause that involves their destiny.... The only salvation is to restore confidence to the masses by representing them truly. Only then can we face foreign threats."

AL-HAWADITH has obtained a recording of the minutes of the meeting which took place in the amphitheater of Damascus University and which involved a number of writers and journalists and lasted more than 7 hours. The meeting was attended by Mahmud al-Ayyubi, 'Abdullah al-Ahmar, Muhammad Haydar, George Saddiqni, Ahmad Iskandar Ahmad, Khalid Bakdash, Danial Ni'mah, Fawzi al-Kayyali, Fa'iz Isma'il and 'Abd al-Ghani Qannut. Although a large number of writers and journalist criticized the regime, the communists among them said nothing, despite the criticisms leveled at the Communist Party and its leader Khalid Bakdash in particular. The following is a transcript of part of the recording:

Mahmud al-Ayyubi: Brethern, if anybody wishes to speak, we are here, and we came to listen. But I would like us to be brief at this second stage: otherwise there'll be a lot of redundancy. Let's put down the names in order (he begins to write down the names of those who wish to speak).

'Adil Mahmud: If we ask ourselves what has happened to the national cause over the past few years, we will find that it has failed in many basic aspects. If we look at the national cause in terms of occupied territories and the Palestine question, we will see that, with regard to the territories, we have not retrieved any territories on the front, from a military point of view. In terms of the Palestine question, everyone knows that the Palestinians suffered a blow in Lebanon, with the help or connivance of the Syrian forces. With regard to the social question, it begins with bread and ends with freedom. Neither the bread problem nor that of freedom has been settled. And nothing in between has been solved, either. Nothing at all. We see in the Front's latest statement that the Front, after 16 years of Ba'thist rule, wants to solve the bread question. As to the question of freedom, there is actually no need to speak about it since other colleagues have spoken about it. It is a very clear problem. Freedoms are being exercised according to the concept of the state, the concept of the regime, and within many limited bounds. I even believe that

the problem of freedom in the Front itself is open to discussion. As to the Progressive National Front, I believe that its problems are with its bases and the friends of its bases. To put it simply, let us repeat what others are telling those parties [which are in the Front]: You are sharing the pie with the state at our expense.

As to the question of Arab unity, which is an offshoot of the national and social questions, we note that three attempts at Arab unity have failed: first, the quadripartite federation failed; then the tripartite federation failed. After that, coordination with Jordan and later coordination with Iraq, or the attempted unity with Iraq, failed. The question I would like to raise now, after all those failures, is the problem of the size and the level of the framework defined by the Front's statement. It is the problem of the size and the level of the present dialogue between the Front's committee and the various sectors of the people. The fact is that the question which has not been posed so far--a question which neither the Front, the party, or the regime has asked itself yet--is whether the political line and method should be reconsidered or not? This question has been completely avoided so far, and I believe that the reason is obvious. They say that the political line and the political method are correct and that what has happened is simply a matter of mistakes. I don't believe that they are just any mistakes. They are mistakes of the political method and the political line which must be reconsidered on all levels--national, social, and anything in between. Thank you.

Michel Kilo: No doubt, Mr 'Adil Mahmud has expressed my views to a large extent. I would like to talk specifically about the topic of the Front and all that devolves from it. Mr Mahmud al-Ayyubi has asked whether we should reconsider the Front's charter. Should we reconsider its prerogatives or its method of action?

Mahmud al-Ayyubi (interrupting): Or its makeup?

Michel Kilo: Or its makeup. In my view the Front does not exist. Four of the fronts that make up the Front, which was established in the name of national unity, are prohibited from operating in the sectors of the army and the students. Such a situation torpedoes the Front, prevents the emergence of a front. There cannot be a system based on political pluralism, in which members and leaderships participate in determining the country's strategic fate but are not trusted with national unity, are not trusted with operating within the popular sectors. This situation practically abolishes the parties of the Progressive National Front, which are not worker or peasant parties, as we all know, but parties which basically operate among employees and intellectuals. If these parties, which are not worker or peasant parties, are banned from operating among the students and the youth and eventually within the army, they will practically vanish. This is what is happening to the parties in this country in varying degrees. They are moving into a state of inefficacy because the seed of their restriction and eventual abolishment is lodged in the heart of the charter which they had accepted. This is one thing. Secondly, if you brethren and comrades are

thinking of developing the Front and its activities, then I think that this developed Front will yield nothing new if it fails to study its relationship with the political system and the state as well as with the decision-making process in this state. We are all witnesses to realities which I cannot morally describe now, because it would be an impolite description. Decisions would be made after which the Front, the People's Assembly, and I don't know who else would meet to approve such decisions. The problem then is not us, the ordinary people. It is not the organizations. The problem lies in the relationship between the Front and the structure on which the political system rests and in the manner in which political decisionmaking is carried out in the country.

The second point about which I would like to talk is this: We have spoken elaborately about defects, faults, negligence, shortcomings, etc., within the context of the general orientation of Syria's political leadership, which we held to be sound and correct. In my view, the statement put out by the Front a few days ago was written with this outlook, namely, that there is a sound orientation flawed by a few faults--faults which are due partly to the administrative machinery and primarily to foreign plots. Those faults could be corrected by measures taken by the state--purely technical measures.

I believe that there is a major plot against Syria. This plot has been there in different forms since the establishment of the state of Israel--and let's be frank and call it the state of Israel. It has gone through many phases, of which I would like to single out two major phases. The first is the one in which all the accomplishments which include a long phase of liberalism, freedoms, bourgeois democracy, freedom of political action, etc. Unity [between Egypt and Syria in 1958] ushered in another phase. This was 'abd al-Nasir's major pride. For he brought millions of people into the political arena within the framework of a state whose general makeup and general action revolved around an individual. The phase of the great plot which we face today is the one in which all freedoms of the Syrian people have been obliterated, including freedom of action, self-expression, and formation of political forces. It is the phase in which the role of the people has been eliminated. We now face a mortal crisis because we, as the political leadership, citizens and political forces, revolve in a vacuum. Being outside the framework of freedom, we don't know what we are doing. We have no role outside the role of the people. The problem which we are suffering is that there is no role for the people in this country, and that freedoms in this country have been stifled premeditatedly. The situation cannot be corrected by merely talking about a fault here or a defect there. The basic defect lies in the country's present structure and policies--it is a structural defect--a defect in the structure of the state, the society, and the political forces.

I would like to ask a small question: Who can dare say now that the nationalist cause today, after some 20 years of Ba'thist rule, is better than it used to be in 1953 and 1954 during Al-Shishakli's rule and in 1958 during



the rule of the National Bloc and the National Grouping? I would like to talk about the manifestations of this crisis which I say is a structural crisis. There are external manifestations and internal ones. I hope I am not bothering you.

Mahmud al-Ayyubi: Go on.

Michel Kilo: The external manifestation is that we have entered the game of settlement with al-Sadat. We had a strategic agreement with al-Sadat which we strongly defended. I remember officials in the press union talking about a strategic agreement with al-Sadat. Then suddenly, and with one blow, we find that al-Sadat crossed over to the Americans and the Israelis. A large slice of the Arab states went with him. Al-Sadat's departure upset the balances of power in the entire region. This problem cannot be circumvented by means of a slogan called defeating Camp David. Camp David will defeat and has defeated the region. If there is anyone who is still resisting to the last breath, he has to know that to resist Camp David over the radio is not to resist it in practice. After Camp David, we should have adopted major strategic decisions. We should have either gone over to the Americans, since the international balance in this area collapsed after Camp David, or gone over to the socialist bloc. To side with the socialist bloc requires a strategic decision. This is something that cannot brook delay and postponement. We postpone all our major problems and push them ahead of us. When they grow, we imagine that we can solve them by tools which we soon discover have become part of the problem.

We used to say that the task is one against the external enemy. Now the parties represented in the Front are rallying against the internal enemy. But in what context are they doing so? They are doing so in the context of suffocating isolation from the people, in the context of collapse of the structure, institutions, and policies of a system, in the context of a lack of confidence in it. We then attack the internal enemy on the assumption that he is an agent of Camp David. We should at last open our eyes before it is too late and before we meet here again some 5 or 6 years from now and someone says: Nobody warned us, the people were in collusion--because anything emanating from the state now has this connotation: the people were in collusion. Thank you. (applause)

Ahmad Dahbur: I do not know what room my friend Michel Kilo has left for me after his marvelous discourse. But he has asked this question: What is the Progressive National Front doing now? I would like to say what the Front has done to the best of my information. There are two important and historical positions taken by the Front. The first is the signing of the cease-fire agreement in the October war. The second is its blessing of the butchering of Palestinians in Lebanon.

He has followed by Samir al-Khatib, who said that it has been presumed according to political results that the historical persons leading the Front would be changed. This has not happened--an indication that changes in the future will be superficial. He said that he says this without fear, because there is no longer anything that frightens one at all.



Mamduh 'Adwan then took the floor, saying that the regime as well as the Front are removed from the people and that the reason for that is its lies. The political systems are liars whom nobody believes. No one believes the estimate in a battle statement concerning the number of martyrs in that battle. No one even believes the high and low temperatures in the radio's weather report. He added: I work in an information system and media of which I am ashamed because it lies about everything; it even lies when it conceals the news about cholera. Why is the regime lying? Lying is caused by fear of others. The authorities who lie are the authorities who fear the people and fear that the people will see them as they really are. 'Adwan said that we used to accuse the Iraqi regime of treason, association with colonialism, and killing people in the streets of Damascus. Then the regime in Damascus and the regime in Baghdad reached a reconciliation and not one official in Damascus or Baghdad bothered to tell the people that we were wrong.

He went on to say: In this phase of corruption, the street [i.e., the people] is full of talk about bribery, commissions, officers who hold shares in companies and support smugglers--about the plundering which took place in Lebanon and which made some people rich, millionaires. Such talk involves people who are at the height of authority. We have all talked about various things. But there are things which we have not talked about. No one talked about the defense brigades, the intelligence service, the sectarian face of the regime, and the sectarian practices of some elements of the regime. There is sectarian tension in the street now. I have a question and I want the answer to it now: can you explain to me what the defense brigades are? Why their privileges? Why don't we dare to talk about them? You know that people are talking about them in whispers (laughter and applause). The sectarian predicament needs to be confronted. One has to speak out like this. We need a clear X-ray so that the doctor may know what medicine to prescribe. Thank you. (applause)

Muhammad Hurani: Actually, what brother Michel Kilo and brother Mamduh 'Adwan said leaves nothing for anyone to say.

Mahmud al-Ayyubi: Others before you have said the same thing and then continued to speak (laughter), so don't pull such tricks on us.

Muhammad Hurani: The fact is that the question which has been posed to you was not answered and will not be answered. According to those who have issued it, the statement of the National Front is an important event and they want us to talk about it.

Mahmud al-Ayyubi: Allow me to interrupt you here. We have not asked anyone to talk about it, nor have we said that it is an important event--at least not those of us in the Front.

Muhammad Hurani: Well then, the Front's statement was not considered to be an important event (laughter) (al-Ayyubi: It's a joke), and was not trusted

by anyone, because an incident involving a security man who goes through a stop sign while whistling in his car has a greater impact than a statement by the Front. (Al-Ayyubi: True) Citizens today want to know how Syria can stand up to Camp David when it cannot tackle the problem of bread. This is really a big question. So that we may not be just grumblers and complainers, we say that the solution is quite clear, and that you know it before anyone else. The solution lies in democracy. No one has been able to take a decision permitting the exercise of democracy in this country.

Amir al-Sawwa, Sa'id Hilal, and 'Ali al-Masri then spoke in the same vein. The most interesting remarks were made by writer 'Ali al-Masri, who said:

In the morning, the mother of my children, standing behind a (Frisco) 60 washing machine, stopped me and begged me not to speak out.

Al-Ayyubi: Begged me to what--sorry, I couldn't hear well.

A voice in the hall: His wife told him not to speak because she is afraid for her children (laughter in the hall and on the platform).

'Ali al-Masri: So I told her: Your request is accepted, but I would like to convey your views. She said to forget about it, because words have lost their honor and Taj al-'Arus and Lisan al-'Arab [dictionaries], to which you keep referring, have become devoid of words and words are no longer part of them. I asked her: Let me convey your feelings at least; let me defend Husam, Wisam, and Humam [her children]. She said: You can't defend them, because you control nothing in this country. I told her I will speak out. She said to remember that those to whom you will speak will return in a [Mercedes] 280 S taxicab, while you will return in the bus. I told her: So be it, but I will not abandon my responsibility. She said: You're not responsible for anything, not even for yourself, because, despite your eight books, someone from the depth of the cellars will come up and ask who you are, and what would you tell him? So I told her the following story: Last year I went to Europe, and I had to spend 3 months standing outside the door of the Immigration and Passport Department. Finally, one day, the name of 'Ali al-Masri was called out, and I raised my hand. The man looked at me and said, word for word--and please forgive me for saying it: "You shit, we've been calling your name for a couple of hours." Then he flung the passport to me over the heads of the crowd.

Then one day I was at London airport presenting my passport to the [immigration] lady. She examined the passport carefully, she leafed through it, and I said to my friends: That's it, I'm stuck. Why? Because since 1948 and to this day I have had nothing but fear and fright of the present and the future. I said to myself the secret police is coming. The lady left the counter and came back with a policeman. She gave him my passport and greeted me. The policeman helped me with my luggage until I got to a taxi, and then he bade me farewell and said that it is an honor for Her Majesty's

Government to welcome a member of the Arab Writers Union in Syria. I laughed. I wanted to cry, but I laughed. And so I decided to speak out and I came here to ask: Is it worth it to talk? No, it is not, because the cheapest thing in this country is the human being and words. And since human beings and words are cheap, then permit me to return to the mother of my children without speaking out, as I have promised her and thank you. (strong applause and laughter in the hall and at the platform)

All those voices and sounds are part of the evidence that political change in Syria is inevitable. But to what extent and what direction will it take? This is the question all Syria is asking in this phase of the new challenge.

9254

CSO: 4802

## BRIEFS

POLITICAL PRISONERS--by Tamam al-Barazi--Amnesty International, in a comprehensive report on political prisoners in Syria, reports that journalist Zuhayr Shalaz (60) who was kidnapped by Syrian intelligence in Beirut in April 1970 after writing articles about the corrupt regime, is still in prison at Al-Mazzah after having been sentenced to a 5-year term. The term expired in 1975, but the Syrian authorities still refuse to release him and have invoked Law 51 of 1962 which empowers the Interior Ministry to remand in protective custody anyone who poses a threat to state security, the party, and the regime. The Shalaq family, with eight children to take care of, is facing financial hardships and its house was destroyed during the Lebanese civil war. Amnesty International also says that Yusuf al-Burji (42), member of the Palestine National Council who was imprisoned in 1971, is still under arrest after having been charged with dealing with the Salah Jadid regime. The international organization points out that the Ba'thist prisoners known as the Salah Jadid group are still in custody. They include Yusuf Zu'ayyin (prime minister from 1965 to 1968), who has TB; former head of state Nur al-Din al-Atasi, who has diabetes; Hadithah Murad, who suffers from a cerebral concussion; Fawzi Rida, who has lost his eyesight; Muhammad Rabah al-Tawil (former interior minister), who suffers from blood diseases; and Mustafa Rustum, who suffers from nervous disorders. The report adds that Muhammad 'Id 'Ishshawi (former foreign minister), Marwan Habash (former industry minister), Kamil Husayn (former ambassador in Paris), 'Abd al-Hamid Miqdad (former labor minister), 'Adil Nu'aysah, Harjili Nasrawin, 'Abd al-Karim Nasif, Muhammad Sa'id Talib (former agriculture minister), Hakim al-Fayiz, and Salah Jadid himself are being ill treated. Ten [as published] Syrian Kurds have been imprisoned since 1973. They include Kan'an Ajid, 'Abdullah Mawla 'Ali, Ahmad Sabah Sa'id, Muhammad Mawla Fakhri, Amin Ghulin, Hasan 'Uthman Ibrahim, Khalid Musikah, Dahham Miru, Mazir Shams al-Din, Muhammad Khalid 'Abd al-Rahman Sharaf, and 'Abd al-Hamid Sinu. This in addition to hundreds of Muslim Brotherhood members who are being arrested weekly. [Text] [London AL-HAWADITH in Arabic 7 Dec 79 p 30] 9254

CSO: 4802

## WESTERN SAHARA

### MOROCCAN ISOLATION, AGGRESSIVENESS, ALARM MAURITANIA

Paris DEMAIN L'AFRIQUE in French 17 Dec 79 p 50

[Article by M.D.: "Call to a Cease-Fire: the Sages of the OAU Condemn Morocco"]

[Text] The Monrovia Conference, bringing together as it did the Committee of Sages (CS) last 4 and 5 December, seems to have given substantial proof that in the conflict over the Western Sahara, in which the forces of opposition are Morocco and the Polisario Front, Morocco is beginning to yield on the diplomatic issues, seemingly in order to bring its efforts more to bear in the military domain. Four out of the five "sages" of the OAU, Presidents Shehu Shagari of Nigeria, Ja'far Numeyri of Sudan, Julius Nyerere of Tanzania and Moussa Traore of Mali, have reiterated the decisions made at their Khartoum meeting last July. In substance, the 10 points of the resolution they adopted at that time declare that Morocco is to withdraw its troops and its administration from the Tiris El-Gharbia, all parties are to observe a cease-fire in order to allow a referendum on the subject of self-determination to be held; and this referendum is to be under the control of a peace-keeping force organized by the OAU.

The resolution manifests the disappointment of Liberian President William Tolbert and the CS at Rabat's last-minute boycott of this "mini-summit," which for the first time would have brought together the four concerned parties: the Polisario Front, Morocco, Mauritania and Algeria.

"What is the use of these meetings?" asked one highly-placed Moroccan civil servant. "When we held the last CS summit in July, our friends Guinea and the Ivory Coast did not bother to attend. President Numeyri did nothing to help us. Today as yesterday, those who are present, particularly Mali and



Tanzania, are a priori hostile to us. So what is the use of attending?" Yet it may seem curious that this hostility on the part of several of the participants did not become evident to the Moroccans until the eve of the opening of the conference. Be that as it may, Guinea President Ahmed Sekou Toure then followed Morocco's lead.

This kind of "empty chair" politics does not even meet with unanimous approval within Morocco itself. The meeting of the non-aligned nations in Havana last September, followed by the general conference of the United Nations that same month, confirmed the diplomatic isolation of this country. Too often, certain Rabat officials and the Moroccan opposition have tried to impute it to the shortcomings of their diplomacy. Today the refusal to pursue the diplomatic battle appears to be a calculated policy. The expression used by the Moroccan sovereign, who called the Assembly General of the OAU a "tom-tom conference,"--very badly received throughout Africa--was a foreshadowing of such a development.

Whatever its loss, does Morocco accept being condemned in international courts because it thinks it can reverse the on-site military situation to its own advantage? It hopes no doubt that the operations of the "ouhoud" type will produce results and that the arms provided by the Americans will do the rest. Thus in an interview given to TIME MAGAZINE, King Hassan II announced the beginning of a "new aggressive strategy" and of the impending organization of two other intervention forces of the "ouhoud" type.

This new Moroccan policy, moreover, cannot but disturb neighboring Mauritania. Nouakchott is afraid that the Moroccan military operations will provide Rabat with an occasion for crossing the Mauritanian border under the "right of pursuit" concept, should its troops run into Saharan resistance forces. And the situation is aggravated because in recent weeks Nouakchott and Rabat have been wrangling over the withdrawal of 600 Moroccan soldiers who are still stationed at Bir Moghreïn in Mauritanian territory. In September Nouakchott asked France and Senegal to intervene with Rabat, urging it to carry out this withdrawal, which, it would seem, according to the hidden motives of Rabat, would be effected per contra the departure of the last Mauritanian troops remaining in La Guera, a little town in the southern part of the Tiris El-Gharbia, the portion of Western Sahara which was occupied by Morocco last August after the Mauritanian withdrawal.

Nouakchott is not claiming this territory. But it does fear the arrival of a foreign army from a country at war in a town situated less than 15 km from Nouadhibou, the second largest

city in Mauritania, which exports the iron from Zouerate and which, in fact, controls the entire productive region of the back-country. For Nouakchott, a withdrawal from La Guera cannot be carried out without an international guarantee of the safety of the port of Nouadhibou. "Mauritania will withdraw from La Guera and turn it over to 'whoever has a right to it' as soon as peace has returned to Sahara," announced the Mauritanian minister of information, Lieutenant Colonel Ahmed Mahmoud Ould el-Hussein. It is to be feared that this problem has remained for too long a time without a solution, and that the situation is more or less slowly deteriorating.

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